

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:	BKY No. 15-42460
Case	Chapter 7
Paul Hansmeier,	
Debtor.	

**NOTICE OF HEARING AND MOTION FOR ORDER
COMPELLING JOHN L. STEELE
TO TURN OVER DOCUMENTS**

1. Randall L. Seaver, the Chapter 7 trustee herein, moves the court for the relief request below and gives notice of hearing herewith.

2. The Court will hold a hearing on this motion at 9:30 a.m. on April 13, 2016. The hearing will be held in Courtroom 8W, U.S. Bankruptcy Court, 300 South Fourth Street, Minneapolis, MN 55415.

3. Any response to this motion must be filed and served by delivery not later than April 8, 2016 which is five days before the time set for the hearing (including Saturdays, Sundays and holidays). UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

4. This Court has jurisdiction over this motion under 28 U.S.C. §157 and §1334 and Bankruptcy Rule 5005. This motion is filed under Local Rule 9013-2, this proceeding arises under 11 U.S.C. § 542(e) and Local Rule 6072-1.

5. The petition commencing the Chapter 13 case was filed on July 13, 2015. The case was converted to one under Chapter 7 on December 3, 2015. The case is now pending in this court.

6. John L. Steele ("Steele") and the debtor were apparently shareholders in a law firm, or law firms. Their law practice activities resulted in large sanctions issued against them by

various courts. It appears that monies were posted, either in the form of bonds or through cash filings, with various courts as a result of some of the sanctions awarded. The trustee believes that John Steele is an insider of the debtor.

7. In 2013, the debtor had sole control over a Scottrade account held in the name of Monyet, LLC ("Scottrade Account"). On or about November 22, 2013, the debtor transferred \$175,000 from the Scottrade Account to a TCF bank account held in the name of Padraigin Browne ("TCF Account"). In December, 2013, Browne withdrew \$150,000 in cash from the TCF Account and hid it in a box in a closet in the condominium occupied by the debtor and Browne.

8. On or about February 7, 2014, the debtor caused a \$70,000 wire transfer to be made from the Scottrade Account to the TCF Account. Browne then began a series of \$2,000 cash withdrawals from the TCF Account. As a result of the \$150,000 cash withdrawal and the other \$2,000 cash withdrawals, by March, 2014, approximately \$180,000 in cash was hidden in a box in the condominium occupied by the debtor and Browne. On February 16, 2016, after obtaining bank records, the trustee conducted the examination of Browne and made specific inquiry regarding the transfers into the TCF Account, and the withdrawal and use of cash from the TCF Account. A copy of the transcript of the February 16, 2016, examination of Padraigin Browne is attached as Exhibit 1. See pages 21 – 25, 29 – 32, 59 – 68.

9. An approximate timeline of events showing the timing of these transfers with relation to the dates that the courts were entering sanction orders against the debtor, is attached hereto as Exhibit 2.

10. After the trustee discovered over \$180,000 in cash withdrawals made by Browne from the TCF Account, the debtor admitted as follows:

Q. Okay. Did you help her count the \$150,000 cash withdrawal?

A. No.

Q. But you knew it was in a box, stored in a box in your house after she withdrew it, correct?

A. Yes.

A copy of the transcript of the February 25, 2016 Hansmeier §341 meeting is attached hereto as Exhibit 3. See pages 17 – 20.

11. After commencement of the debtor's Chapter 13 case, both the debtor and Browne were questioned, under oath, by attorney, Edward Sheu. Copies of pages 43 - 47 of the transcript of testimony of the debtor, and pages 40-42 of the transcript of testimony of Browne regarding the use of the \$245,000 transferred into the TCF Account by the debtor are attached hereto as Exhibits 4 and 5.

12. After this case was converted to a Chapter 7, but before the trustee uncovered the cash withdrawals from the TCF Account, the debtor appeared for the initial phase of the §341 meeting on January 21, 2016, and was questioned by the trustee under oath. At that meeting, the debtor testified about the purpose of the transfers of monies to the TCF Account. Copies of pages 41 – 42 and 49 - 50 from that examination are attached as Exhibit 6.

13. According to the February 16, 2016, testimony of Browne, perhaps \$60,000 in cash was paid to Steele to post a bond. It appears that Browne believes the transfer occurred not earlier than December 14, 2013. Exhibit 1, pages 60 - 63.

14. On February 22, 2016, just days after the trustee had discovered the alleged cash payment to Steele, the debtor's attorney, Barbara May, sent an email to Matthew Swanson, an attorney for the trustee. A copy of the email is attached hereto as Exhibit 7. The email disclosed, for the first time, the apparent interest of the estate in a \$65,000 supersedeas bond. Ms. May stated in the email as follows:

“This case has a \$65000 supercedeas bond. It is in the estate’s interest to have this appeal come down in Mr. Hansmeier’s favor, so that the bond can be paid over to the estate.”

15. At the continued §341 meeting held on February 25, 2016, the trustee showed the debtor a copy of the email and asked the debtor if he had seen it before. The debtor confirmed that he had. The trustee then asked the debtor:

Q. Okay. Is everything in here accurate?

A. Yeah, I believe so.

See pages 10 – 11, Exhibit 3.

16. After Browne admitted that cash was given to Steele, the debtor admitted, at the second phase of the §341 meeting held on February 25, 2016, as follows:

Q. Okay. Did any of the funds that Mr. Steele used to post that bond originate with the Mill Trust?

A. This is the point I was trying to make to Mr. Seaver before: I obviously transferred cash to him in the amount of about 50 to \$60,000 sometime in 2014. I don’t know if any of that is traceable to the money that he deposited with the Court for the bond, for the \$65,000 August 2015 bond. (Emphasis Added).

See pages 41 – 44, Exhibit 3.

17. Additional testimony from the debtor at the February 25, 2016 §341 meeting was as follows:

Q. Right. Did you or Ms. Browne give Mr. Steele any money to put into that bank account that constituted that payment to the Court in August of 2015?

A. The major transfer I made to John Steele was the cash in approximately 2014. So I don’t know if it’s the Trustee’s position that that’s somehow my money that John Steele put in there or not, but we did not cut him a check, for example, immediately before him posting the bond with the Southern District of Illinois. (Emphasis Added)

See pages 20 – 21 at Exhibit 3.

18. During early 2014, the debtor received monthly checks from Steele in the amount of \$2,500. Redacted copies of two such checks are attached hereto as Exhibit 10.

19. Steele has information regarding monies paid to him by the debtor and/or Browne, and also has information regarding monies, if any, paid by Steele to the debtor.

WHEREFORE, the trustee requests an order of the court compelling John L. Steele to turn over to the trustee, within seven (7) days from the entry of the order on this motion, the following records:

1. All communications between John L. Steele and any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

2. Copies of any and all documents relating to or evidencing the purpose for the \$2,500 monthly transfers to Paul Hansmeier as evidenced by check nos. 1903 and 1904 attached hereto as Exhibit 10.

3. Copies of any and all documents evidencing or relating to all transfers and the reason for all transfers, of any monies to John L. Steele by any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

4. Copies of any and all bank statements, money orders, wire transfers and any and all other documents evidencing or relating to the receipt, deposit and use of any monies transferred to John L. Steele by any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

5. Copies of any and all other documents evidencing the transfer of any monies from John L. Steele to, on account of or on behalf of any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

6. Copies of any and all bank statements, money orders, wire transfers and any all other documents relating to or evidencing the receipt, deposit and use of approximately \$60,000 in cash allegedly given to John L. Steele by the debtor and/or Padraigin Browne.

7. Copies of any and all documents including, without limitation, bank account statements from which funds were drawn, money orders, checks and wire authorizations relating to or evidencing the source of funds used to pay all of the following:

- a. Wire transfer in the amount of \$65,000 filed with the court on or about August 10, 2015 in the case of Light Speed Media Corporation v. Smith, et al., civil docket no. 3:12-CV-00889;
- b. Wire transfer in the amount of \$47,171.75 filed with the court on or about August 10, 2015 in the case of Light Speed Media Corporation v. Smith, et al., civil docket no. 3:12-CV-00889; and
- c. Supersedeas bond in the amount of \$287,300 filed with the court on or about April 8, 2014 in the case of Light Speed Media Corporation v. Smith, et al., civil docket no. 3:12-CV-00889.

**FULLER, SEAVER,
SWANSON & KELSCH, P.A.**

Dated: March 30, 2016

By: /e/ Matthew D. Swanson

Matthew D. Swanson 390271
Randall L. Seaver 152882
12400 Portland Avenue South, Suite 132
Burnsville, MN 55337
(952) 890-0888

Attorneys for Randall L. Seaver, Trustee

VERIFICATION

I, Randall L. Seaver, trustee for the Bankruptcy Estate of Paul Hansmeier named in the foregoing notice of hearing and motion for turnover of property declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Executed on March 30, 2016

/e/ Randall L. Seaver
Randall L. Seaver, Trustee

In The Matter Of:
In re: Paul Hansmeier

Padraigin Browne
February 18, 2016

Shaddix & Associates
9100 West Bloomington Freeway
Suite 122
Bloomington, Minnesota 55431

Min-U-Script® with Word Index

EXHIBIT I

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1	APPEARANCES:	1	I N D E X (CONTINUED)
2	RANDALL L. SEAYER, Attorney at Law,	2	BROWNE DEPOSITION EXHIBITS (Continued) MARKED
3	FULLER, SEAYER, SWANSON & KELSCH, PA, Suite 132,	3	17 - ALTA Settlement Statement - Seller, dated 12/15/15 79
4	12400 Portland Avenue South, Burnsville, Minnesota	4	18 - Fix Design Haus invoice dated 10/5/15 82
5	55337, rseaver@fsaklaw.com, appeared as counsel for and	5	19 - Duane's Floor Service invoice dated 10/9/15 82
6	on behalf of the trustee.	6	20 - Midwest Interiors invoice dated 11/3/15 82
7	DAVE BURNS, Attorney at Law, DAVE BURNS	7	21 - Pride Electric invoice dated 10/30/15 82
8	LAW OFFICE, LLC, 475 Grain Exchange North, 301 Fourth	8	22 - CR Heating invoice dated 12/1/15 82
9	Avenue South, Minneapolis, Minnesota 55415,	9	23 - Polina's Cleaning invoice, undated 82
10	dave@daveburnslaw.com, appeared as counsel for and on	10	24 - J. Nordstrom Plumbing invoice dated 10/7/15 82
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23	(Whereupon, the following proceedings were	23	
24	duly had, and entered of record, to-wit:)	24	
25		25	

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1 PADRAIGIN BROWNE,
2 having been first duly sworn, was
3 examined and testified on her oath as follows:
4 EXAMINATION
5 BY MR. SEAVER:
6 Q Would you state your name, please?
7 A Padraigin Browne; P-a-d-r-a-i-g-i-n; Browne, B-r-o-w-n-e.
8 Q And Ms. Browne, you're here pursuant to a subpoena that I
9 had served on you, correct?
10 A That is correct.
11 Q And you've had your deposition taken -- was it just once
12 before this --
13 A Yes.
14 Q -- in this bankruptcy case?
15 A That's correct.
16 Q All right. The testimony that you gave at that time, was
17 that truthful testimony?
18 A Yes.
19 Q Okay. You're an attorney; is that correct?
20 A Yes.
21 Q Are you currently practicing?
22 A I'm currently doing some doc review.
23 Q Okay. For what law firm?
24 A For Kroll On Track.
25 Q What's Kroll On Track?

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1 A They are a very large company that does a variety of
2 support services, not just in the legal field, but they
3 have a legal support division.
4 Q Okay. You're no longer, at least at this point, you're not
5 employed as a patent attorney?
6 A That's correct.
7 Q The law firm that you were employed with as a patent
8 attorney, when they paid you, did they do withholding?
9 A Do you mean on taxes?
10 Q Right, that's what I mean, did they do federal and state
11 withholding?
12 A No.
13 Q Okay. You weren't an independent contractor?
14 A No, I got a paycheck.
15 Q Okay, okay. So I know you've had your deposition taken
16 once, but I'll just run through it again. You understand
17 that you're answering questions under oath, right?
18 A Yes.
19 Q If I ask you a question that you don't understand, just
20 tell me that and I'll rephrase it. All right?
21 A Okay.
22 Q And we have to try not to talk at the same time.
23 A Okay.
24 Q All right. One last thing: Don't shake or nod your head
25 yes or no because the court reporter can't take that. All

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1 right?
2 A Okay.
3 (Browne Deposition Exhibit 1 was marked for
4 identification by Mr. Seaver and attached
5 hereto.)
6 BY MR. SEAVER:
7 Q All right. I'm showing you what has been marked as
8 Deposition Exhibit Number 1, and the first page of that,
9 ma'am, if you would look at it, is a copy of a letter from
10 Matthew Swanson of my law firm to you dated December 23,
11 2015, sending to you a copy of the subpoena that had --
12 that was served in this case, correct?
13 A Yes.
14 Q Did you receive this letter?
15 A I believe so, yes.
16 Q All right. And he's saying in the letter, in the third
17 sentence, "I want to make sure you get a copy of this
18 subpoena as soon as possible because some of the
19 information sought by the subpoena relates to the recent
20 sale of the property at 100 Third Avenue South, #3201,
21 Minneapolis," correct?
22 A Yes.
23 Q And he's telling you, "We need all of the information
24 relating to that sale as soon as possible in order to
25 analyze rights and claims," correct?

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1 A Yes.
2 Q Now let's turn to the attachment to the subpoena that has
3 the list of documents to be produced. Ma'am, do you know
4 the day that the documents were actually produced per the
5 subpoena?
6 A No, I don't.
7 Q Does February -- even if you don't, does February 5th sound
8 correct to you?
9 A It seems reasonable.
10 MR. SEAVER: Okay. Mr. Burns, could you just
11 confirm that was the day the documents --
12 MR. BURNS: I would have to look at my
13 records.
14 MR. SEAVER: Sure, let me just -- we can just
15 mark this while we're talking.
16 (Browne Deposition Exhibit 2 was marked for
17 identification by the court reporter and
18 attached hereto.)
19 BY MR. SEAVER:
20 Q So I'm marking what is just an email that I'm marking as
21 Exhibit Number 2, and it's an email from Mr. Burns. He's
22 your attorney, correct?
23 A He is.
24 Q All right. It's an email from him to Mr. Swanson
25 indicating that documents are available in a dropbox,

<p style="text-align: right;">Page 9</p> <p>1 correct?</p> <p>2 A Yes.</p> <p>3 Q Okay. Now, back to the subpoena itself, item 1 -- I'm not</p> <p>4 going to read through it all, but it's checking account</p> <p>5 statements. Did you provide all the checking account</p> <p>6 statements and registers for the sorts of accounts</p> <p>7 indicated?</p> <p>8 A I believe so.</p> <p>9 Q Okay.</p> <p>10 A I believe that I had not put in the most recent one and you</p> <p>11 asked for those and we gave those to you this morning.</p> <p>12 Q Okay. Then down at item number 4, it's the copies of</p> <p>13 documents relating or evidencing moneys contributed by you</p> <p>14 for the payment of any of the following and, specifically,</p> <p>15 I am directing your attention to item 4A at this point.</p> <p>16 When you -- when the original purchase occurred, that was</p> <p>17 in March of 2013, correct?</p> <p>18 A Yes, March 15th, I believe.</p> <p>19 Q All right. When that occurred, the money to close on it</p> <p>20 came from two sources, a check from Mr. Hansmeier and the</p> <p>21 mortgage that you both signed; is that correct?</p> <p>22 A I believe so, yes.</p> <p>23 Q Okay. And there had been an earlier earnest money payment,</p> <p>24 too, just to be absolutely correct?</p> <p>25 A Yes.</p>	<p style="text-align: right;">Page 11</p> <p>1 Q Okay.</p> <p>2 A So I think it was probably under 50.</p> <p>3 Q Okay. Under 60,000 for sure; could that be right?</p> <p>4 A Yeah.</p> <p>5 Q Okay. And then the last page of the exhibit to the</p> <p>6 subpoena, if you would just turn to it, it's item number 9</p> <p>7 and it's "Copies of checks or other instruments by which</p> <p>8 the security deposit and all lease payments were made," and</p> <p>9 specifically the security deposit, how was that paid?</p> <p>10 A With a certified check. If you don't have -- I don't have</p> <p>11 I don't have -- I don't have the little slip that's left.</p> <p>12 Q Sure.</p> <p>13 A But you can see the withdrawal that occurred to make the</p> <p>14 certified check out of the Associated Bank account.</p> <p>15 Q Okay. Is it a withdrawal out of the account just in your</p> <p>16 name?</p> <p>17 A I'm 95 percent sure it was out of mine.</p> <p>18 Q Okay. It wasn't a cash transaction?</p> <p>19 A That's correct.</p> <p>20 Q Okay.</p> <p>21 (Browne Deposition Exhibit 3 was marked for</p> <p>22 identification by Mr. Seaver and attached</p> <p>23 hereto.)</p> <p>24 BY MR. SEEVER:</p> <p>25 Q All right. I'm showing you now what has been marked as</p>
<p style="text-align: right;">Page 10</p> <p>1 Q Okay. In item 6 of this Exhibit A is the -- looking for</p> <p>2 documents relating to payment of any student loans by</p> <p>3 Mr. Hansmeier, any of your student loans by Mr. Hansmeier.</p> <p>4 A Mm-hmm.</p> <p>5 Q I didn't see any documents in there other than bank account</p> <p>6 statements showing some student loan payments. Other than</p> <p>7 that, I didn't see anything indicating -- confirming</p> <p>8 Mr. Hansmeier's payments of any of your student loans.</p> <p>9 A So he gave me money. I believe there's -- I don't have --</p> <p>10 I don't have the deposit slips, but he gave me money and</p> <p>11 then I deposited that in my account and paid off my student</p> <p>12 loans with that money.</p> <p>13 Q Okay. And when did the student loan payoff actually</p> <p>14 happen?</p> <p>15 A In 2012, I believe.</p> <p>16 Q Okay. And what was the rough amount? I'm not looking for</p> <p>17 an exact amount. Was it less than 10,000?</p> <p>18 A I think it was -- I think it was closer to 40, but I'm</p> <p>19 not --</p> <p>20 Q Okay.</p> <p>21 A I'm not positive how much it was.</p> <p>22 Q Okay, okay. Under 50,000 do you think?</p> <p>23 A I think so. I know that my total was 80 when I graduated,</p> <p>24 it was around 80, and I know that I had been making</p> <p>25 payments for a while.</p>	<p style="text-align: right;">Page 12</p> <p>1 Exhibit Number 3. Exhibit Number 3 is a letter to your</p> <p>2 attorney, Mr. Burns, from Matthew Swanson at my firm</p> <p>3 attempting to reschedule your examination in this case and</p> <p>4 talking about the document production, correct?</p> <p>5 A Yes.</p> <p>6 Q Have you seen this letter before today?</p> <p>7 A Yes.</p> <p>8 Q Okay. So you were aware that my office was trying to get</p> <p>9 these documents and get your deposition scheduled earlier?</p> <p>10 A Yes.</p> <p>11 (Browne Deposition Exhibit 4 was marked for</p> <p>12 identification by Mr. Seaver and attached</p> <p>13 hereto.)</p> <p>14 BY MR. SEEVER:</p> <p>15 Q All right. I'm putting in front of you now what has been</p> <p>16 labeled as Exhibit Number 4, and Exhibit Number 4 is just</p> <p>17 four of the Scottrade authorization forms stapled together;</p> <p>18 and you've seen these before, haven't you?</p> <p>19 A I have.</p> <p>20 Q All right. And the first page of Exhibit 4 is a -- it's a</p> <p>21 \$5,000 wire transfer from a Scottrade account held in the</p> <p>22 name of -- is it pronounced Monyet?</p> <p>23 A I don't know.</p> <p>24 Q Okay. It's a wire transfer to your account at Associated</p> <p>25 Bank, correct?</p>

<p style="text-align: right;">Page 13</p> <p>1 A I believe so, yes. 2 Q And that's -- it says that it's dated July 30, 2013, 3 correct? 4 A Yes. 5 Q All right. And then turn to the second page of this 6 exhibit, if you would. This is another authorization to 7 transfer money and this is a \$30,000 transfer to your TCF 8 account from the Monyet account, correct? 9 A Yes. 10 Q And it's your husband who signed both of those transfer 11 authorizations at the bottom, correct? 12 A I believe so, yes. 13 Q Okay. The third page of this exhibit is a \$17,500 wire 14 transfer to your TCF account from the Monyet Scottrade 15 account, correct? 16 A Yes. 17 Q All right. And that's your husband's signature down there 18 again, correct? 19 A I believe so, yes. 20 Q And Paul Hansmeier is your husband? 21 A Yes, he is. 22 Q All right. The last page of this exhibit is another wire 23 transfer authorization and this is transferring \$70,000 to 24 your TCF account on February 7 of 2014, correct? 25 A Yes.</p>	<p style="text-align: right;">Page 15</p> <p>1 A In a box in our bedroom. 2 Q In the condominium you were living in at the time? 3 A Yes. 4 Q What kind of box was it in? 5 A One that came from the bank, just like a normal box. 6 Q Okay. And has that money all been spent? 7 A I think there's a little bit left, but not very much. 8 Q What does that mean? 9 A Under 500. 10 Q Under 500 left? 11 A Yes. 12 Q Are those in \$100 bills? 13 A No. 14 Q No? 15 A There might be one, but it's mainly twenties at this point. 16 Q Okay. I'm sorry, what did you say again? Under 500, is 17 that what you said? 18 A Yeah. 19 Q Okay. 20 (Browne Deposition Exhibit 6 was marked for 21 identification by Mr. Seaver and attached 22 hereto.) 23 BY MR. SEAVER: 24 Q I'm showing you what's been marked as Deposition Exhibit 25 Number 6, and Exhibit Number 6 is a group of statements</p>
<p style="text-align: right;">Page 14</p> <p>1 Q So, Ms. Browne, you had received 175,000 in November. You 2 hadn't spent all that money by February, had you? 3 A No, I had not. 4 Q Okay. So why was another \$70,000 being wired to you in 5 February of 2014? 6 A I believe that we had liquidated the stocks that were in 7 Monyet and so we were taking the money out of Scottrade. 8 Q Okay. And why was it being taken out of Scottrade? 9 A So that we could use it for our living expenses going 10 forward when necessary. 11 (Browne Deposition Exhibit 5 was marked for 12 identification by Mr. Seaver and attached 13 hereto.) 14 BY MR. SEAVER: 15 Q Let me show you what I'm marking as Exhibit 5, and this is 16 one page from Mr. Hansmeier's bankruptcy schedules in 17 his -- well, what was a Chapter 13 at the time, and you'll 18 see one line there at item 2 that says "Self settled trust 19 Monyet." Do you see where I am? 20 A Yep. 21 Q And it says \$8,554 and he has a J there next to it. Is 22 this \$8,554, is that the amount of cash that was left at 23 the time he filed bankruptcy? 24 A Yes. 25 Q Okay. And that was cash -- where was that cash?</p>	<p style="text-align: right;">Page 16</p> <p>1 stapled together that are TCF statements for an account 2 held in your name. 3 (Browne Deposition Exhibit 7 was marked for 4 identification by Mr. Seaver and attached 5 hereto.) 6 BY MR. SEAVER: 7 Q Let me also put in front of you what I'm marking as 8 Deposition Exhibit Number 7, and Exhibit Number 7 is a 9 document that I had prepared in my office to try and track 10 moneys going into and out of the TCF account during a 11 certain time period. 12 So Exhibit 6, which is the group of account 13 statements from TCF that are stapled together -- 14 A Mm-hmm. 15 Q -- the top page of that is a statement date of 6/23/2014, 16 correct? 17 A Yes. 18 Q And that has an ending balance of zero, correct? 19 A Yes. 20 Q All right. And then if you go to the very last page of 21 this exhibit, there is a statement date of 8/21/2013, and 22 that shows the opening deposit into this account, correct? 23 A Yes. 24 Q And why was this account opened? 25 A TCF Bank asked us to open an account or asked us to do our</p>

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1 mortgage payments out of a TCF account for a quarter
2 percentage point cut on our mortgage rate.
3 Q All right. And let's turn -- let's start at the back of
4 this exhibit, the page next to the very last page. There
5 is a -- do you have that in front of you?
6 A So I'm just flipping one forward?
7 Q That's it.
8 A Okay.
9 Q So the statement date is 9/20 up at the top. Do you see
10 that? They are up here (indicating).
11 A Yes.
12 Q All right. And there is a \$30,000 deposit. It's a
13 transfer deposit made on September 27, 2013. Do you see
14 that?
15 A Yes.
16 Q And that's one of the transfers from the Monyet Scottrade
17 account, correct?
18 A Yes.
19 Q All right. And if you look at this Exhibit 7, the sheet I
20 had prepared, the first line is showing that \$30,000
21 deposit, correct?
22 A Yes.
23 Q All right. Let's continue on with this exhibit. Turn one
24 more page towards the front or two more pages towards the
25 front so you have the 10/22/2013 statement in front of you.

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1 A Okay.
2 Q So there's an automatic withdrawal out of here and that's
3 the 4,200? It's hard to read this, it's faint print, but
4 that 4,200 roughly, that's your mortgage payment, correct?
5 A That is correct.
6 Q What is the other -- it's five thousand something and it
7 says "authorized withdrawal"?
8 A I believe it says "State of Minnesota," so I'm guessing
9 that was our State taxes.
10 Q Okay. Your best --
11 A That's my best guess, particularly in light of the fact
12 that the check was to the tax preparer.
13 Q Oh, the page before -- the page towards the back that says
14 at the bottom "General Page 13," that's a check to the tax
15 preparer --
16 A Yes.
17 Q -- for you and your husband's tax returns?
18 A Yes.
19 Q All right. And then go -- keep going towards the front a
20 couple more pages to the 11/20/2013 statement, and down in
21 the Deposit section of this statement there is -- again,
22 it's very hard to read this, but it looks like it's a
23 number over 9,000 and it says "Automatic Deposit, IRS." Do
24 you know what that deposit is?
25 A I'm going to guess it was a tax refund, but I'm not

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1 positive.
2 Q If it's coming from the IRS -- would that be the only
3 possible thing that could be coming from the IRS?
4 A As far as I know, yes.
5 Q You didn't work for the IRS?
6 A I did not work for the IRS.
7 Q Okay. And then continuing going towards the front here, I
8 want to go up to the November 20, 2013 TCF statement.
9 A I'm sorry, what --
10 Q November 20, 2013.
11 A Weren't we just on November? Do you want December?
12 Q I think I said December, didn't I? Let's go to December.
13 I meant to say December.
14 A Okay.
15 Q It says "General Page 8" at the bottom of it.
16 A Okay.
17 Q Do you have that in front of you?
18 A I do.
19 Q And on this statement, in the Withdrawals section, we see
20 an \$11,987 and some cent automated withdrawal to Citi Card.
21 What is that?
22 A A credit card payment.
23 Q Okay. Is the credit card held in both of your names?
24 A No.
25 Q Is it just you, ma'am?

Page 20

1 A Yes.
2 Q Okay. And then there's -- further down in the withdrawals
3 there's an automated withdrawal to the Bank of America for
4 \$5,000. Is that another credit card payment?
5 A Yes.
6 Q And is that in both of your names?
7 A No.
8 Q Just yours?
9 A That's correct.
10 Q And then there's the TCF withdrawal and that's the
11 mortgage, right?
12 A Yes.
13 Q All right. And then up in the section right above that,
14 the Checks Paid, you see there are two separate \$2,000
15 checks? Do you see those?
16 A Yes.
17 Q And if we turn one page towards the back, which says
18 "General Page 9," those two checks for 2,000 each are
19 checks to you, correct?
20 A Yes.
21 Q Did you get cash for those checks?
22 A I don't remember what -- I don't remember. I'm guessing I
23 deposited them in a different -- my other account.
24 Q When you say "other account," what account are you --
25 A Associated, but I don't remember.

Page 21	Page 23
<p>1 Q Okay. So would it be two things, it's either cash that</p> <p>2 you're getting or those checks are deposited into the other</p> <p>3 Associated account held in the name of -- or held in your</p> <p>4 name?</p> <p>5 A Yes.</p> <p>6 Q Okay, okay. And then continuing on, down at the bottom --</p> <p>7 oh, go back to General Page 8 if you would, which is the</p> <p>8 statement, you'll see down there there is the deposit</p> <p>9 coming in of \$175,000, correct?</p> <p>10 A Yes.</p> <p>11 Q And that's a wire transfer from the Monyet Scottrade</p> <p>12 account, correct?</p> <p>13 A Yes.</p> <p>14 Q And then there's -- back in the Withdrawals section, there</p> <p>15 is a \$150,000 withdrawal. Do you see that?</p> <p>16 A Yep.</p> <p>17 Q And that's a cash withdrawal, isn't it?</p> <p>18 A That is correct.</p> <p>19 Q So you withdrew \$150,000 in cash from this account on</p> <p>20 December 13, correct?</p> <p>21 A Yes.</p> <p>22 Q Did you call ahead to TCF to tell them that you were going</p> <p>23 to come in and take 150,000 in cash out?</p> <p>24 A Yeah. It took about a week.</p> <p>25 Q Okay. So you had called about a week before that?</p>	<p>1 that money.</p> <p>2 Q Okay. So what did you tell TCF when you called them and</p> <p>3 told them that you were coming in to get 150,000 in cash?</p> <p>4 Did you explain it to them that way?</p> <p>5 A No, I just said I wanted the money in cash.</p> <p>6 Q Okay. And what did you tell them you wanted the</p> <p>7 denominations of the bills to be?</p> <p>8 A I didn't specify.</p> <p>9 Q Did they all end up being \$100 bills?</p> <p>10 A They did.</p> <p>11 Q All right. What branch was this at?</p> <p>12 A The one in the IDS Center in downtown Minneapolis.</p> <p>13 Q Okay. So I would like you to just walk me through you</p> <p>14 going over to get that money. Did you bring some sort of</p> <p>15 something to carry that money in?</p> <p>16 A A large purse.</p> <p>17 Q Okay. And so you went into the bank and did you do a</p> <p>18 counter check for the 150,000; is that what you did?</p> <p>19 A I'm not sure what you mean by that.</p> <p>20 Q Sure. You filled out some form to authorize them to take</p> <p>21 the 150,000 out of your account?</p> <p>22 A Yeah. I don't remember what the form looked like or</p> <p>23 anything, but yes.</p> <p>24 Q Sure, okay. And it was all in \$100 bills?</p> <p>25 A Yes.</p>
Page 22	Page 24
<p>1 A Well, I stopped by the branch.</p> <p>2 Q Okay.</p> <p>3 A And talked to them about it.</p> <p>4 Q And why did you take out 150,000 in cash?</p> <p>5 A Because we were -- I wanted to make sure that we were still</p> <p>6 able to make our payments on our everyday living expenses.</p> <p>7 We had recently had a judgment entered against Paul without</p> <p>8 him being served at all or being aware of it and I was</p> <p>9 concerned that, because the attorneys that were</p> <p>10 representing people against him were getting things without</p> <p>11 letting us know, that they would freeze my account without</p> <p>12 ever letting us know and we wouldn't be able to pay for</p> <p>13 things.</p> <p>14 Q So you were concerned if you left the money in the account,</p> <p>15 that somehow it would get tied up by some creditor?</p> <p>16 A Without notice.</p> <p>17 Q Okay.</p> <p>18 A So in Massachusetts -- I think it was in Massachusetts,</p> <p>19 there was a case that we never heard of, neither of us were</p> <p>20 ever aware of, and then they got a judgment for over</p> <p>21 \$70,000 entered against Paul in his name, and so I was very</p> <p>22 concerned that if they could get a judge to do that without</p> <p>23 ever serving him with anything, that they could also get</p> <p>24 our -- get my bank accounts frozen without me being made</p> <p>25 aware of and being able to contest their right to access</p>	<p>1 Q And did they put it in a box for you?</p> <p>2 A Yes.</p> <p>3 Q Okay. How big was the box?</p> <p>4 A About the size of a sheet of paper.</p> <p>5 Q A sheet of paper?</p> <p>6 A Yeah.</p> <p>7 Q Okay. And then what did you do with it after that? What</p> <p>8 did you do with the box of money after that?</p> <p>9 A I put it in the closet.</p> <p>10 Q Okay. So it was sitting in the closet. It wasn't locked</p> <p>11 up or anything in the closet?</p> <p>12 A That's correct.</p> <p>13 Q Okay. So both you and Mr. Hansmeier had access to it in</p> <p>14 the closet?</p> <p>15 A Yeah.</p> <p>16 Q Okay. And you had -- at the time that you took that</p> <p>17 \$150,000 in cash out of the bank, you also had accounts --</p> <p>18 you had an account at Associated Bank, right?</p> <p>19 A Yes.</p> <p>20 Q And you had an account at Capital One, correct?</p> <p>21 A I think it was called ING at the time.</p> <p>22 Q Okay. But you had an open account there?</p> <p>23 A Yes.</p> <p>24 Q Okay. And you had one -- it was -- oh, State Farm Bank,</p> <p>25 you had an open account there, as well, correct?</p>

Page 25

1 A Yes.
 2 Q But you thought having \$150,000 in a box in your closet was
 3 safer than having it in any one of those accounts?
 4 A Yes. The Carlyle has a 24-hour doorman and you need a fob
 5 to get up to our place and no one would be able to freeze
 6 the account and stop me from being able to access it.
 7 Q Okay. Whose money did you think that was?
 8 A I thought it was mine to spend on myself and my family.
 9 Q But Mr. Hansmeier had equal access to the cash in that box
 10 in your closet, correct?
 11 A He had -- in the respect that he could have stuck his hand
 12 in there, yes, but the ability to determine how it was
 13 spent, no.
 14 Q That was solely up to you?
 15 A Yes.
 16 Q And you made all the decisions on how to spend that money?
 17 A Yes.
 18 Q Okay. Let's go back to Exhibit 6, if you would, which
 19 is -- again, it's the -- yeah, you have it in front of you.
 20 So we just looked at the December payment or December
 21 statement and go to -- well, it says "General Page 6" down
 22 at the bottom. That's the 1/23/2014 statement. Do you
 23 have that in front of you?
 24 A Yes.
 25 Q And that is -- that statement shows an automatic withdrawal

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1 for the mortgage loan, correct?
 2 A Yep.
 3 Q And an automatic withdrawal for Gittleman. Is that the
 4 condo association?
 5 A Yes.
 6 Q Okay. And no deposits that month, correct?
 7 A I don't see any deposits.
 8 Q Okay. And then go about one more page towards the front to
 9 General Page 5. That's what it says at the bottom.
 10 A Okay.
 11 Q And this is the February 21st, 2014 statement, correct?
 12 A Yes.
 13 Q All right. Before we look at that, though, just look at
 14 this Exhibit 7 that you have there and still up at the top
 15 in the Deposits section, there's the \$17,500 deposit that
 16 we just looked at in the TCF account, correct?
 17 A Yes.
 18 Q So that second line is accurate, right?
 19 A Yes.
 20 Q All right. Now we can see on the TCF statement, General
 21 Page 5, Exhibit 6, there is a \$70,000 deposit on
 22 February 10 of 2014, correct?
 23 A Yes.
 24 Q And that's another wire transfer from the Scottrade Monyet
 25 account, correct?

Page 27

1 A Yes.
 2 Q All right. So if you look at Exhibit 7, we see the \$70,000
 3 coming in there, correct?
 4 A Yes.
 5 Q So that brings the total of moneys transferred into your
 6 accounts from September of 2013 to February of 2014 to
 7 275,000, correct?
 8 A Yes.
 9 Q All right. And that's all into the TCF account, right?
 10 A Yes.
 11 Q All right. So this money is coming over from the Scottrade
 12 account in February and that's about three months after the
 13 175,000 came over, correct?
 14 A Yes.
 15 Q So if you folks were so worried about someone seizing the
 16 money, so worried that you had to put \$150,000 in cash in
 17 your home, why did you just leave 70,000 sitting in the
 18 Scottrade account?
 19 A Well, I didn't. I started withdrawing it in smaller
 20 amounts.
 21 Q No, in the Scottrade account. It was still in the
 22 Scottrade account until February.
 23 A Oh.
 24 Q Do you see?
 25 A I'm pretty sure we needed to do some liquidation between

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1 those times.
 2 Q Okay. So that's your belief?
 3 A I think so, yes.
 4 Q Okay. And so you put the \$70,000 deposit in or it goes in
 5 on February 10, correct?
 6 A Yes.
 7 Q All right. And then you start withdrawing cash from that
 8 account, correct?
 9 A Yes.
 10 Q And tell me why you're withdrawing cash from that account
 11 then?
 12 A For the same reason as the previous money, to make sure
 13 that we had it in cash.
 14 Q Okay. For the same reasons you testified to --
 15 A Yes.
 16 Q -- about the \$150,000 withdrawal?
 17 A Yes.
 18 Q Okay. So I want to just go through these, ma'am, and just
 19 match up the cash withdrawals with what I have on
 20 Exhibit 7. So looking in the cash withdrawn -- at
 21 Exhibit 7, now, the cash withdrawn on and after
 22 November 22, 2013, you see those two November 22, 2013,
 23 those are the two checks that we saw, correct?
 24 A Yes.
 25 Q Which may -- as I understand your testimony, it's either

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<p>1 cash or it went into your Associated Bank account?</p> <p>2 A Right.</p> <p>3 Q Okay. And then we see the December 13 \$150,000 withdrawal,</p> <p>4 right?</p> <p>5 A Yes.</p> <p>6 Q All right. So now in February, that \$2,000 withdrawal on</p> <p>7 the 13th, that's a cash withdrawal, correct?</p> <p>8 A Yes.</p> <p>9 Q And then there's a \$2,020 withdrawal on the 17th. Is that</p> <p>10 a cash withdrawal?</p> <p>11 A Yes.</p> <p>12 Q And a \$2,000 withdrawal on the 20th. Is that a cash</p> <p>13 withdrawal?</p> <p>14 A Yes.</p> <p>15 Q And a \$2,000 withdrawal on the 21st. Is that a cash</p> <p>16 withdrawal?</p> <p>17 A Yes.</p> <p>18 Q Why didn't you just withdraw all this money at once? Why</p> <p>19 did you just keep withdrawing in increments of \$2,000?</p> <p>20 A Because the first time I did a large one it stressed me out</p> <p>21 and it took a lot -- you have to do a lot of working with</p> <p>22 the bank. It's much easier to just be able to go in and</p> <p>23 get some money.</p> <p>24 Q Well, I understand a \$150,000 withdrawal would be like</p> <p>25 that, but my question -- and I didn't articulate it very</p>	<p>1 A Yes.</p> <p>2 Q March 4th is a cash withdrawal?</p> <p>3 A Yes.</p> <p>4 Q And then all of those, all of those \$2,000 withdrawals from</p> <p>5 March 6 to March 18th, those are all cash withdrawals,</p> <p>6 right?</p> <p>7 A Yes.</p> <p>8 Q All right. So that gets us down, back on Exhibit 7, if you</p> <p>9 just want to -- if you would just correlate those</p> <p>10 withdrawals, I just want to make sure Exhibit 7 is</p> <p>11 accurate. That indicates the withdrawals for the March</p> <p>12 statement accurately, correct?</p> <p>13 A I believe so, yes.</p> <p>14 Q All right. So we can see -- and we're looking at -- I'm</p> <p>15 looking at Exhibit 7 now, the total cash out, which</p> <p>16 includes those two \$2,000 checks that you're not sure of,</p> <p>17 and we'll look at that in a minute, but the total cash out</p> <p>18 at the bottom, if the addition is correct, is \$182,020,</p> <p>19 correct?</p> <p>20 A Yes. I mean, I haven't done the math, but I'm going to</p> <p>21 trust you on that.</p> <p>22 Q I'm just asking you to trust that the addition is correct.</p> <p>23 A Yes.</p> <p>24 Q And if it's not correct, then that's not the right number,</p> <p>25 correct?</p>
Page 30	Page 32
<p>1 well. So over the course of eight days, you made four</p> <p>2 withdrawals, which totaled \$8,020. Why not just take out</p> <p>3 \$8,000?</p> <p>4 A Because the bank doesn't have that much money on hand. You</p> <p>5 can't just go in and ask for \$8,000.</p> <p>6 Q Did you try that?</p> <p>7 A Well, I asked them what was something that was reasonable</p> <p>8 for me to be able to get if I just walked into the door.</p> <p>9 Q Okay. And they told you 2,000?</p> <p>10 A Yeah.</p> <p>11 Q All right. So back just looking at Exhibit 7, so those</p> <p>12 first four withdrawals under Cash Withdrawn 2014 on</p> <p>13 Exhibit 7, we have confirmed those, right?</p> <p>14 A Yes.</p> <p>15 Q So let's turn another one page towards the front of this</p> <p>16 statement. It says "General Page 4" at the bottom, it's</p> <p>17 Exhibit 6, and there are a series of cash withdrawals here</p> <p>18 and every one of those withdrawals is in the amount of</p> <p>19 \$2,000, correct?</p> <p>20 A Yes.</p> <p>21 Q So on 2/24, the \$2,000, that's a cash withdrawal?</p> <p>22 A Yes.</p> <p>23 Q 2/28 is a cash withdrawal?</p> <p>24 A Yes.</p> <p>25 Q March 3rd is a cash withdrawal?</p>	<p>1 A Right.</p> <p>2 Q So did you have -- again, we have to look at those two</p> <p>3 checks for \$2,000, but did you have about \$180,000 sitting</p> <p>4 in that box at the end of March of 2014?</p> <p>5 A I believe so, yes.</p> <p>6 (Browne Deposition Exhibit 8 was marked for</p> <p>7 identification by the court reporter and</p> <p>8 attached hereto.)</p> <p>9 BY MR. SEAVER:</p> <p>10 Q All right. I'm showing you now what's been marked as</p> <p>11 Exhibit 8, and Exhibit Number 8 is -- it's a group of</p> <p>12 Associated Bank statements that are stapled together and</p> <p>13 I'll just tell you what I did. I stapled together -- the</p> <p>14 Associated Bank statements, there was a large number of</p> <p>15 them, so I stapled together the statements roughly for 2013</p> <p>16 and roughly for 2014.</p> <p>17 A Okay.</p> <p>18 Q So this one, the front page of this Exhibit Number 8 is the</p> <p>19 statement ending 6/20 of 2013, correct?</p> <p>20 A Yes.</p> <p>21 Q And then the very last -- the next-to-last page of this</p> <p>22 exhibit is the first page of a statement ending on</p> <p>23 January 20 of 2014, correct?</p> <p>24 A Yes.</p> <p>25 Q All right. So in this statement, turn, if you would, to --</p>

<p style="text-align: right;">Page 33</p> <p>1 I handwrote page numbers on there, just to make it easy, 2 too. 3 A Okay. 4 Q Turn to page 13, if you would. Do you see there in the 5 Deposits section on this page, which is the statement 6 ending 12/22/2013, there is an 11/21/2013 deposit for 7 \$2,000. Do you see that? 8 A I do. 9 Q Do you think that's one of those \$2,000 checks? 10 A Probably. 11 Q Okay. And so it looks like, if that's what it was, then 12 one of the \$2,000 checks got deposited into this account, 13 correct? 14 A Yes. 15 Q And then look at the next -- page 15 of this Exhibit 16 Number 8. 17 A Mm-hmm. 18 Q And that's the December -- well, it ends on January 20th, 19 2014, and there is a customer deposit there for \$258. Do 20 you know the source of that deposit? 21 A I have no idea. 22 Q You don't know if it was cash or -- 23 A I don't know. 24 Q You just don't know? 25 A I literally have no idea.</p>	<p style="text-align: right;">Page 35</p> <p>1 deposits there. What are those? 2 A Vikings tickets that were put up for sale on Ticketmaster 3 and sold. 4 Q Are those the Vikings tickets that are in Mr. Hansmeier's 5 grandfather's name? 6 A They were at that time, yes. 7 Q Whose name are they in now? 8 A I'm not sure. I'm not sure what happens when the -- with 9 the new stadium. 10 Q Oh, okay. Up until the new stadium thing, they were 11 tickets in his father's name? 12 A His grandfather's name. 13 Q I'm sorry, his grandfather's name? 14 A Yes. 15 Q Okay. So do you know what, if anything, has been done with 16 those tickets with respect to the new stadium? 17 A I believe that we put down a deposit to purchase, but -- 18 Q Would "we" be you and Mr. Hansmeier? 19 A Yes, but I don't -- I don't think -- I think there's a 20 significant balance on the seat license still. 21 Q Okay. So how much do you think the deposit was that was 22 put down? 23 A I really can't remember if they asked for -- they might 24 have asked for 25 percent. I'm not sure. I don't 25 remember.</p>
<p style="text-align: right;">Page 34</p> <p>1 Q Okay. So going back to Exhibit Number 7, that was that 2 summary that we went through of the deposits, so it looks 3 like, if you go up to the November cash withdrawals, it 4 looks like one of those checks probably got deposited into 5 your Associated account, right? 6 A Yes. 7 Q Okay. So assuming that's the case, one of those checks 8 didn't get turned into cash? 9 A I have no idea. I just don't remember. 10 Q You aren't sure? 11 A I have literally no idea. 12 Q And I'm not trying to -- well, so if one of those two 13 check, \$2,000 checks is, in fact, that \$2,000 deposit into 14 your Associated account, that would mean that you didn't 15 get cash that day at TCF? 16 A Right, for that check, yeah. I mean -- 17 Q All right. What would be -- the \$258, what would be the 18 source of that money other than cash? Do you have any 19 idea? I'm talking about the \$258 deposit. 20 A I really have no idea. I mean, it's an odd number. I have 21 no idea. 22 Q Okay. In the same Exhibit 8, turn to page 9, if you would. 23 A I'm sorry, did you say 9? 24 Q Yeah, 9, and that's the statement that ends on 10/20 of 25 2013. There are a number of Ticketmaster resale ticket</p>	<p style="text-align: right;">Page 36</p> <p>1 Q Okay. If it was, I'm not -- I understand you don't 2 remember if it was 25 percent, but I'm just trying to get a 3 range of a number if it was 25 percent. 4 A I'm not even positive, so I think -- 5 Q Was it less than \$5,000 down? 6 A Yes, for sure. I'm pretty sure the total cost was 10. 7 Q Okay. 8 A I don't think it was more than 25 that was put down. 9 Q Okay. You think it was probably less than 2,500 put down? 10 A Yeah. 11 Q And when would that have been put down? 12 A I'm so bad at dates. 13 Q Okay. If we can -- 14 A Whenever they first started selling tickets. 15 Q Okay. Was that before Mr. Hansmeier filed bankruptcy? 16 A It would have been, like, 2013 possibly. Like, when they 17 literally announced the stadium, they started selling 18 tickets. 19 Q Okay, okay. 20 A So it was a long time ago. 21 Q Okay. 22 (Browne Deposition Exhibit 9 was marked for 23 identification by the court reporter and 24 attached hereto.) 25 BY MR. SEAVER:</p>

<p style="text-align: right;">Page 37</p> <p>1 Q I'm putting in front of you now what's been marked as 2 Exhibit Number 9 and this is another document that I had 3 prepared at my firm and it says "Padraigin Browne, 4 Associated Bank, Possible Cash Deposits 2014," and what I 5 did, just so you understand, I went through your Associated 6 Bank account and I looked at deposits and tried to figure 7 out the source of them and created this document. 8 (Browne Deposition Exhibit 10 was marked for 9 identification by the court reporter and 10 attached hereto.) 11 BY MR. SEAVER: 12 Q So I next want to go to Exhibit Number 10, which -- 13 A Am I done with 8? 14 Q Yeah, you're done with 8, so if you keep 9 and 10 in front 15 of you, that would be great. So 9 is the document that I 16 had prepared and 10 is a group of Associated Bank 17 statements stapled together and I've put handwritten 18 numbers on the bottom, 1 through 21, and it's for the 19 account ending in 1853. I want to run through this with 20 you starting with the top page, which has the handwritten 21 number 1. There's a deposit there for \$484. Do you know 22 if that was cash or do you know the source of it? 23 A I don't. 24 Q Okay. And then there's another deposit of 2/13/2014 for 25 \$400 even. Do you know if that was cash?</p>	<p style="text-align: right;">Page 39</p> <p>1 Q Okay. It's just your employment deposits? 2 A Yes. 3 Q All right. And then go to the next page, which -- go to 4 page number 9, handwritten number 9. It's the statement 5 ending 6/22/2014, and there's a deposit there on June 18 of 6 2014 for \$4,055.88. Do you know the source of that? 7 A No. 8 Q Okay. So back on my sheet, I have -- that's one that I 9 have a question mark by. 10 A Mm-hmm. 11 Q So the question mark stays there, right? 12 A Yes. 13 Q All right. And then continue on with this exhibit, if you 14 would, to page 11, and that is the statement ending 7/20 of 15 2014, and you'll see a deposit there on July 17 of 2014 of 16 \$4,300. Do you see that? 17 A I do. 18 Q Is that a cash deposit? 19 A Probably. 20 Q Okay. So over on this other side, on this sheet that I had 21 prepared, I had 43 -- I had the \$100 one that's a question 22 mark, but the \$4,300 you're sure was a cash deposit. You 23 said probably a cash deposit? 24 A Yeah. 25 Q You're pretty sure it is, though, aren't you?</p>
<p style="text-align: right;">Page 38</p> <p>1 A I don't -- I have no idea. 2 Q Don't know, okay. So on my Exhibit 9 where I have question 3 marks there, we can keep the question marks there for those 4 three, right? 5 A Yes. 6 Q All right. Then turn, if you would, to the page that has 7 number 3 on it, the handwritten number 3. There's a 8 deposit there that says it's a customer deposit of \$134.99. 9 You don't know the source of that, do you? 10 A No. 11 Q Okay. And the other deposits here are coming from your 12 employment, correct? 13 A Yes. 14 Q All right. Turn to page 5 of this, if you would, of 15 Exhibit 10. 16 A Okay. 17 Q And that's the statement that ends on 4/20 of 2014 and 18 there's a deposit there of \$100. Do you know if that was a 19 cash deposit? 20 A I don't know. 21 Q Don't know, okay. And then turn to -- still in this same 22 exhibit, turn to page 7, if you would. There are no cash 23 deposits there, correct? That's the month ending 5/20 of 24 2014? 25 A I don't see any.</p>	<p style="text-align: right;">Page 40</p> <p>1 A Yeah. 2 Q Are you positive it is? 3 A Not -- I mean, I'm -- I would say that it's much more 4 likely than not that it is. 5 Q Okay. And then turn to page 13 of this exhibit, if you 6 would. The only deposit there is your payroll, correct? 7 A Yes. 8 Q All right. And then turn to page 15 of this exhibit, and 9 that's the statement ending 9/21 of 2014. There's a \$5,000 10 deposit there; do you see that? 11 A I do. 12 Q Is that a cash deposit, do you think? 13 A Probably. 14 Q Okay. And then turn, if you would, to the page with 15 handwritten number 17 on it, and that's the statement 16 ending 10/20 of 2014, and you'll see that there's a \$4,400 17 even deposit. Do you believe that's a cash deposit? 18 A I do. 19 Q Okay. So back here on my sheet again, that \$4,400 you 20 believe would be accurate as a cash deposit? 21 A Yes. 22 Q Okay. And then there is the 10/2 Minnesota Department of 23 Revenue deposit of \$3,796. What's that? 24 A I'm not positive, but based on the time of year, I would 25 guess it's our property tax refund.</p>

<p style="text-align: right;">Page 41</p> <p>1 Q Oh, yeah, okay. You didn't work for the Department of 2 Revenue? 3 A No, I did not. 4 Q Okay. So it's a refund of some sort and probably the 5 property tax refund? 6 A Probably. 7 Q Okay. 8 A But -- yeah. 9 Q All right. And then continue with this exhibit, go to 10 page 19, if you would, and that is -- it's the statement 11 ending 11/20 of 2014 and there is a \$4,000 deposit there on 12 10/27. Do you believe that would be a cash deposit? 13 A Yes. 14 Q All right. So over here on the list I had prepared again, 15 that would be right, the \$4,000, correct? 16 A Yes. 17 Q And then there's a deposit of \$3,300. Does it appear to 18 you that would be a cash deposit? 19 A Probably. 20 Q All right. So, again, on Exhibit 9 you'll see the \$3,300 21 and that would be right, correct? 22 A Yes. 23 Q And then there's a deposit for \$11,079. Do you know the 24 source of that deposit? 25 A No.</p>	<p style="text-align: right;">Page 43</p> <p>1 ones that we know for sure from your testimony are cash 2 deposits are the ones that I have drawn that really rough 3 circle around, right? 4 MR. BURNS: I would just object that that 5 misstates the testimony. I don't think there's been any 6 for sure cash deposits. 7 BY MR. SEAVER: 8 Q Okay. More probable than not or most likely, what I have 9 drawn a circle around were cash deposits? 10 A Yes. 11 Q Okay. And the other ones that are on this sheet you just 12 aren't sure of? 13 A Correct. 14 (Browne Deposition Exhibit 11 was marked for 15 identification by the court reporter and 16 attached hereto.) 17 BY MR. SEAVER: 18 Q I'm having marked Exhibit 11 now, which is -- it's 19 another -- it's a group of bank statements stapled 20 together. 21 (Browne Deposition Exhibit 12 was marked for 22 identification by the court reporter and 23 attached hereto.) 24 BY MR. SEAVER: 25 Q And then I'm also putting in front of you Exhibit</p>
<p style="text-align: right;">Page 42</p> <p>1 Q Okay. 2 A I'm -- no. 3 Q Do you think it's cash? 4 A It's quite possible it is, but I'm -- 5 Q The odd number is throwing you? 6 A Right, that's -- I mean, for all the ones that are odd 7 numbers, I'm just not as positive and I just don't 8 remember. 9 Q All right. And then go to page 21, if you would, of the 10 same exhibit, which is the statement ending 12/21 of 2014. 11 The only deposit there is from your employment, correct? 12 A Yes. 13 Q All right. So back -- let me just go back to Exhibit 9, if 14 you would. That's the summary? 15 A Yep. 16 Q So the \$11,079 deposit which I have in the right column 17 with a question mark, you don't know, it could be cash, it 18 might be -- 19 A I mean, for any of the odd number ones, I think it might be 20 a mix of cash and a check. 21 Q Okay, okay. 22 A Just -- I mean, but that's just a guess. 23 Q Sure, I understand, but the for sure cash deposits, at 24 least that we've looked at so far, they are the -- here, 25 let me just do this real quickly and run through them. The</p>	<p style="text-align: right;">Page 44</p> <p>1 Number 12, which is another one of these documents that was 2 prepared by my firm when I looked at deposits and I was 3 trying to figure out what were cash deposits, and so we'll 4 run through this in the same way we've been doing these 5 others. So Exhibit 11 is a group of Associated Bank 6 statements for the account held in your name? 7 A Yep. 8 Q Starting -- the first page is the statement ending 2/20 of 9 '14 and then the last -- or the next-to-last page is the 10 first page of the statement ending 12/21 of 2014, correct? 11 A Of 2016? 12 Q I think I might be looking at the -- I might have the wrong 13 exhibit that I'm looking at here. Yep, I'm looking at the 14 wrong one. 15 All right, let me go over that again. So the 16 Exhibit Number 11 is a group of Associated Bank statements 17 for the account in your name, correct? 18 A Yes. 19 Q And the front page ends on 1/20 of 2015, correct? 20 A Yes. 21 Q And the next-to-last page is the first page of the 22 statement ending on 1/20 of 2016, correct? 23 A Yes. 24 Q And those last two pages are the ones that you provided 25 today, correct?</p>

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1 A Yes.

2 Q Okay, thank you. All right. Then what is Exhibit

3 Number 12 is, again, a compilation of when I looked through

4 and saw deposits, I was trying to determine what they were.

5 So the first one, let's go to page 1 of Exhibit 11.

6 There's a \$100 deposit there on 12/23 of 2014. Do you know

7 if that was cash or not?

8 A I have no idea.

9 Q Okay. And then continuing on in the statement, go to the

10 page with number 3, handwritten number 3 on it and

11 handwritten number 3, there's a \$4,400 deposit. Is that a

12 cash deposit?

13 A Probably.

14 Q More likely than not?

15 A Yes.

16 Q All right. And right under that, a \$3,000 deposit, more

17 likely than not cash?

18 A Yes.

19 Q And then there are two deposits, one on 2/13 of \$1,000 and

20 one on 2/18 of \$2,000. More likely than not, those are

21 cash deposits?

22 A Yes.

23 Q Okay. And this is the cash coming from that box at your

24 house?

25 A Yes.

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1 Q Okay. On this same page, ma'am, on 2/6, in the Withdrawals

2 section on 2/6 of 2015, there is something that says Browne

3 Padraigin Transfers, \$836.99, and I see a recurring

4 transfer that says something like that. What is that?

5 A That is being transferred from this account to my State

6 Farm account to pay for my car.

7 Q Okay. So was that your monthly car payment?

8 A Yes, that's my monthly car payment.

9 Q Okay. And then go to page 5 of this exhibit, if you would,

10 and on page 5 there is a -- in the deposits -- this is a

11 3/22/2015 ending statement?

12 A Mm-hmm.

13 Q There is a deposit of \$14,565. Is that a tax refund?

14 A Possibly. I'm not sure.

15 Q All right. Then let's go to the -- so just to finish off

16 on that, though, it's possibly a tax refund, you're just

17 not sure as you sit here today?

18 A Yeah.

19 Q If the documents show it was a tax refund, that's what it

20 is?

21 A Right.

22 Q Okay. Then go to page 7 of this, if you would, and in the

23 Deposits section there is a \$4,164 deposit from the

24 Minnesota Department of Revenue. Do you see that?

25 A Yes.

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1 Q That is a tax refund, right?

2 A I believe so, yeah.

3 Q And it would be the joint refund for you and Mr. Hansmeier?

4 A Yep, we filed joint taxes.

5 Q Right. And then right under that there is a customer

6 deposit of \$3,000. More likely than not, that's a cash

7 deposit, correct?

8 A Yes.

9 Q And on this list -- I forgot to do this last time -- the

10 January and February numbers -- and we can go back and look

11 at it, but those numbers are accurately depicting what is

12 more likely than not cash deposits, correct?

13 A Yes.

14 Q Okay. And now for these deposits, March 27, \$3,000, and

15 April 17th of 2,000 on this list, those are more likely

16 than not cash payments -- or deposits, right?

17 A Yes.

18 Q Then turn to the page that has number 9 on it here and the

19 page with number 9 is the first page of the statement

20 ending 5/20/15, and there's a cash deposit on 4/27 of 2015

21 of \$3,000, correct?

22 A Yes.

23 Q More likely than not a cash deposit, right?

24 A Yes.

25 Q And that is reflected on this sheet, this Exhibit 12,

Page 48

1 right?

2 A Yes.

3 Q And then, again, on 5/6 of 2015, another \$2,000 deposit,

4 correct?

5 A Yes.

6 Q More likely than not a cash deposit, correct?

7 A Yes.

8 Q And that's accurately reflected on Exhibit 12, correct?

9 A Yes.

10 MR. BURNS: I think you may have misspoke,

11 Randy. On 4/27 of 2015, you said that was a cash deposit,

12 but it does say "customer deposit."

13 MR. SEAVER: Okay. If I said that it said

14 cash deposit, I'm wrong.

15 MR. BURNS: You did.

16 BY MR. SEAVER:

17 Q It says "customer deposit." What I meant to say was it's

18 more likely than not that was a customer deposit of cash,

19 right?

20 A Yes.

21 Q Okay. And then on page 5 -- moving to page 11 of these

22 statements, on 5/22 of 2015 there's a deposit of \$3,000,

23 correct?

24 A Yes.

25 Q More likely than not, that is a deposit of cash?

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<p>1 A Yes.</p> <p>2 Q And that is accurately reflected on Exhibit 12, correct?</p> <p>3 A Yes.</p> <p>4 Q And then on 5/27, there is a \$5,100 deposit and more likely than not, that is a cash deposit, correct?</p> <p>5 A Yes.</p> <p>6 Q And in the cash -- when I ask you about these cash deposits, you understand I'm referring to the cash coming from the box in your room, right?</p> <p>7 A Yes.</p> <p>8 Q Okay. And that second one, the \$5,100 is accurately reflected on Exhibit 12, correct?</p> <p>9 A Yes.</p> <p>10 Q All right. Page 13 of this exhibit now, which is the statement ending 7/20 of 2015 -- and just for reference as we go through this, Mr. Hansmeier's filing date for the 13 was July 13th of 2015.</p> <p>11 A Okay.</p> <p>12 Q So on your statement, we see a deposit of \$5,900 on 6/23 and more likely than not, that's a cash deposit, correct?</p> <p>13 A Yes.</p> <p>14 Q And that's accurately reflected over on Exhibit 12?</p> <p>15 A Yes.</p> <p>16 Q All right. And then on June 25th, there's a \$3,000 deposit, correct?</p> <p>17</p>	<p>1 Q Page 14, look at the running Balance Summary section and you'll see on July 13, there's a balance of \$7,709.64, correct?</p> <p>2 A Yes.</p> <p>3 Q All right. And then go back, if you would, to page 13, the page right before that, and the very last deposit showing up there is the 7/9/2015 of \$20,000 in cash, correct?</p> <p>4 A Yes.</p> <p>5 Q And that \$20,000 is represented accurately in Exhibit 12, correct?</p> <p>6 A Yes.</p> <p>7 Q Okay. Now, continuing on with Exhibit 11 -- and say, if you need a break at any time, just let me know.</p> <p>8 A Okay.</p> <p>9 Q So continuing on with this, at page 17 -- I'm sorry, it's two pages back, page 19, this is the statement -- no, let's go back. I got ahead of myself here. Let's go back to page 15 of Exhibit 11, and that's the statement that has an end date of August 20, 2015, correct?</p> <p>10 A Yes.</p> <p>11 Q And there is a \$5,900 deposit on 7/27. Do you see that?</p> <p>12 A Yes, I do.</p> <p>13 Q And more likely than not, that's a cash deposit, correct?</p> <p>14 A Yeah, I think so.</p> <p>15 Q And that's -- you aren't certain, but it's more likely than</p>
Page 50	Page 52
<p>1 A Yes.</p> <p>2 Q More likely than not, that's a cash deposit, correct?</p> <p>3 A Yeah, I think so.</p> <p>4 Q And that's accurately reflected on Exhibit 12, correct?</p> <p>5 A Yes.</p> <p>6 Q All right. And then there's a \$20,000 deposit on July 9 of 2015, correct?</p> <p>7 A Yes.</p> <p>8 Q And that is a cash deposit, correct?</p> <p>9 A Yes.</p> <p>10 Q Okay. And that's accurately reflected on this Exhibit 12, correct?</p> <p>11 A Yes.</p> <p>12 Q And then turn to page 14 of this exhibit and you'll see a check going out, it's check number 1309?</p> <p>13 A Yep.</p> <p>14 Q And there may be -- if you turn to page 25 of this exhibit, there is a check for \$15,305 going to Barbara May, correct?</p> <p>15 A Yes.</p> <p>16 Q And that's for your husband's bankruptcy?</p> <p>17 A That is correct.</p> <p>18 Q Okay. So if we look, go back to page 14, if you would, and on the day of his filing, July 13, there was a balance in this account of \$7,709.64, correct?</p> <p>19 A I'm sorry, where am I looking?</p>	<p>1 not, right?</p> <p>2 A Yeah.</p> <p>3 Q Where else would you get \$5,900 to deposit, then?</p> <p>4 A It might have been a check from Paul.</p> <p>5 Q If it was a check from Paul, what account would it have been coming out of?</p> <p>6 A His Class Justice.</p> <p>7 Q So there are two possibilities for that \$5,900, either cash or a check from Class Justice?</p> <p>8 A Yes.</p> <p>9 Q If it was a check from Class Justice, why would you be getting a check from Class Justice?</p> <p>10 A Because our mortgage payment comes out of my account, or it came out of my account and I may have just deposited it in there.</p> <p>11 Q You aren't certain?</p> <p>12 A No, I'm not.</p> <p>13 Q And then on page 16, there is --</p> <p>14 A Yeah, I really am not certain about what that payment is at all.</p> <p>15 Q Okay. Let's go back just to make sure we're clear on what you're talking about.</p> <p>16 A Right.</p> <p>17 Q The \$5,900 --</p> <p>18 A Right.</p>

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1 Q -- you're not clear on?

2 A I am not clear at all.

3 Q There are two possibilities, cash or a check from Class Justice?

4

5 A Yeah, I think, or a check from -- yeah, because he doesn't have -- yeah. Yeah, but I'm really not sure.

6

7 Q Sure. And then on page 16, there is a deposit there of \$2,120. Do you see that?

8

9 A I do.

10 Q And is that your property tax refund?

11 A I believe so.

12 Q Okay. So it would have been a joint property tax refund for you and Mr. Hansmeier, correct?

13

14 A Yes.

15 Q All right. And then continuing on with this exhibit at item -- at page 17, looking at deposits again, and this is a statement ending 9/20 of 2015, there is a \$10,000 deposit on September 2, 2015. Do you see that?

16

17

18

19 A Yes.

20 Q More likely than not, that is a cash deposit, correct?

21 A Yes.

22 Q All right. And then continuing on here going to page 19 of this exhibit, there are some Ticketmaster resales in the Deposits section?

23

24

25 A Yes.

Page 54

1 Q And those are the Vikings tickets, correct?

2 A Yes.

3 Q Okay. There's also a payment, a withdrawal to Maplewood Toyota for \$1,000 on October 6 of 2015. Do you see that?

4

5 A Yes.

6 Q What's that for?

7 A When -- it's for a car, a Prius.

8 Q Is that a purchase of a car? Is it towards a purchase?

9 A It's a lease, so it's the down payment, you know, like the first payment and tax, title or whatever.

10

11 Q Is that different than the car, the State Farm payment?

12 A Yes.

13 Q Okay. Is this a new lease?

14 A Yes.

15 Q Okay. The State Farm payment, what was that going for, what vehicle?

16

17 A The Audi Q7.

18 Q Okay. Is that -- was that a lease payment?

19 A No, that car is a purchase.

20 Q Okay. So the Prius, is that Paul's car or is that your car?

21

22 A We switch off. Until this past weekend, we only had one set of car seats, so depending on who was doing dropoff, we switched.

23

24

25 Q So those are the two vehicles you folks have?

Page 55

1 A Yes.

2 Q And then continuing with this exhibit, at page 20, there is a check number 1315 in the amount of \$3,000. Do you see that?

3

4

5 A I do.

6 Q Do you know what that is?

7 A I don't.

8 Q All right. And then was this about -- let me go back and just see if I can help you. Is this about the time you guys did the lease? It's a little after the lease, right?

9

10

11 MR. BURNS: The lease for what?

12 THE WITNESS: No, because the 1,635 is our first month's rent.

13

14 BY MR. SEAVER:

15 Q Okay. So the 1,635 is your first month's rent?

16 A Yep.

17 Q Okay. Can you show me -- is this the account that you thought the deposit came out of, the security deposit?

18

19 A Yes.

20 Q Okay. Can you show me where that is, ma'am?

21 A Let's see, I think it came out of this one. It would have been for, like, \$2,200 about, give or take.

22

23 Q And I think it's 2,150 if it's --

24 A Right, but it was 2,150 plus, like, 35 or something for the fee for the certified check.

25

Page 56

1 Q Okay.

2 A So -- but I could be wrong. I mean, it could have come out of our joint account, I just don't remember.

3

4 Q You're pretty sure it came out of one of the Associated accounts?

5

6 A Well, I know it came out of one of the Associated accounts, that I'm very comfortable saying. I'm not as positive on which one.

7

8

9 Q You're not seeing it as you quickly look through?

10 A No, I'm not seeing it as I quickly look through.

11 Q Okay. And then continuing on with this exhibit, Exhibit Number 11, if you would go to page number 23, there are two deposits there, and this is the statement ending 12/20 of 2015. There are two deposits there, one for \$5,000 and the other for \$3,000. Do you see that?

12

13

14

15

16 A I do.

17 Q Where is the \$5,000 deposit -- what's the source of that; do you know?

18

19 A Cash.

20 Q Okay. And the \$3,000, where did that come from?

21 A My personal Scottrade account.

22 Q I don't recall seeing copies of a Scottrade account -- are those Scottrade accounts statements in the documents produced? Did you produce those?

23

24

25 A I thought I did, but maybe I didn't.

Page 57	Page 59
<p>1 Q Okay, and I could have missed them too. How much do you 2 have in your Scottrade account? 3 A Now there's approximately \$800. There was 3,800, 4 approximately, and now there's approximately 800 in cash 5 and there's some stock, but the total amount is -- it's 6 very little in stock, so it's maybe 2,000 total. 7 Q When did that -- I'm sorry, go ahead. 8 A So there's maybe, like -- between stock and cash, there's 9 maybe \$2,000 in there total. 10 Q When did that Scottrade account get opened? 11 A 2007. 12 Q Okay. 13 A 2008, somewhere around there. I was still in law school 14 when it was opened. 15 Q Okay. I'm just going to pick -- because I haven't seen the 16 statements and maybe they are there, but in 2013, would 17 there have been over 30,000 in there? 18 A No. The amount in there was never over 10,000 at any time. 19 Q Okay. 20 A One of the investments went very south, so. 21 Q Okay. So back here on this list that I'm working on or 22 this Exhibit 12 trying to track cash, the \$3,000 came from 23 your Scottrade account and the \$5,000 was cash, right? 24 A Yes. 25 Q Okay. So I'll just pen that change in there and so here</p>	<p>1 out to about \$180,020, correct? 2 A Yes. 3 Q So, Ms. Browne, I'm trying to figure out what happened to 4 that cash, and so we've gone through your bank accounts 5 trying -- and I'm trying to figure out the cash; and in 6 2014, this Exhibit Number 9, there are a number of question 7 marks, you just didn't know if those deposits in were cash? 8 A Right. 9 Q And the biggest one was eleven thousand some? 10 A Right. 11 Q And some of these, the five over on the other side that are 12 circled, those were all for sure cash going in? 13 A Mm-hmm. 14 Q So even if you take -- even if you assume the 11,000 on 15 Exhibit 9 is cash in and you add that to 21,000, that gets 16 you to, let's just say, \$32,000, and I'm just doing rough 17 numbers here? 18 A Yep. 19 Q With the understanding that these things with question 20 marks could be cash, we just don't know? 21 A Yep. 22 Q So on this Exhibit Number 9, let's just say it's 32,000 in 23 cash, or let's just say it's 35,000, so that would cover -- 24 other than the \$4,000 deposit, it would cover that. Then 25 go to Exhibit Number 12.</p>
Page 58	Page 60
<p>1 (indicating), the \$5,900 on Exhibit 12, I'll just circle 2 that, you just don't know about that? 3 A Right. 4 Q And I just put a question mark sideways there. These other 5 two, the 10 and the 5, those are both cash deposits, 6 though? 7 A Right. 8 Q Okay. So, Ms. Browne, we can see -- let me get these 9 exhibits out for you, it will make it easier. So I'm 10 getting Exhibit 9, Exhibit 7 and you already have 11 Exhibit 12 in front of you. These are the summaries -- 12 A Okay. 13 Q -- that we went through as we looked at the statements. So 14 on Exhibit 7, that's the original -- it's right here in the 15 middle for you. 16 A Okay. 17 Q The \$2,000 -- one of those \$2,000 checks, it appears to be 18 a deposit just going over, right? 19 A Okay. 20 Q I'll just cross one of those out, and it could be either 21 one, we don't know? 22 A Right. 23 Q So assuming my addition of these numbers is accurate, that 24 would reduce the amount out -- I mean assuming these 25 numbers are added up correctly, that would reduce the cash</p>	<p>1 A Yep. 2 Q And we see 60,000 in cash for sure in deposits? 3 A Yep. 4 Q Sixty thousand four hundred? 5 A Yep. 6 Q And then down below that, there is for sure 15,000 -- 7 A Yep. 8 Q -- and 5,900 you just don't know about? 9 A Right. 10 Q But even if it were, even if the 5,900 were a cash deposit, 11 we end up with in the range of 79,000 there? 12 A Yep. 13 Q Even if that is cash. So 79 and 35 gets you to 114,000. 14 That leaves \$66,000 of cash that we don't see coming into 15 any of these accounts? 16 A Yeah. 17 Q Where is the money? 18 A It went to John Steele to pay for one of the bonds for the 19 appeal. 20 Q How much went to Mr. Steele? 21 A I think 60. 22 Q When did that go to him? 23 A I don't remember the date. 24 Q Can you give me a rough idea? 25 A It would have been in 2013 or 2014 and it would have -- 1</p>

<p style="text-align: right;">Page 61</p> <p>1 believe it was for the Lightspeed appeal, so you should be</p> <p>2 able to figure out -- I mean, I don't know the dates,</p> <p>3 but --</p> <p>4 Q Okay. So we've got the -- you took out the \$150,000 in</p> <p>5 cash?</p> <p>6 A Yeah.</p> <p>7 Q -- in December of two thousand -- I'm sorry, let me see.</p> <p>8 Yeah, December of 2013?</p> <p>9 A Yeah.</p> <p>10 Q So how long after that did you --</p> <p>11 A I don't remember.</p> <p>12 Q Okay. So the very earliest it could have happened is</p> <p>13 December 14th or so of 2013, right?</p> <p>14 A Yeah, it wasn't right away.</p> <p>15 Q So somehow did you get that money to Mr. Steele?</p> <p>16 A He was coming up to visit, so instead of going in,</p> <p>17 depositing the money and writing him a check, we just gave</p> <p>18 him the cash.</p> <p>19 Q When you say "we," it's you and Mr. Hansmeier that you're</p> <p>20 referring to?</p> <p>21 A Yes.</p> <p>22 Q Who actually got the cash out and handed it to him?</p> <p>23 A I did.</p> <p>24 Q Okay. So Mr. Steele comes over to your place, the</p> <p>25 condominium, right?</p>	<p style="text-align: right;">Page 63</p> <p>1 that one, they would have been -- they would have been</p> <p>2 sanctioned and then there were about -- if I'm correct,</p> <p>3 they were told if they didn't put up a bond, that they</p> <p>4 would be fined, like, \$5,000 a day until they did and</p> <p>5 then -- so that was, like, well -- and then so they</p> <p>6 eventually put up a bond.</p> <p>7 Q Okay.</p> <p>8 A I think that was the one, and then that one went up on</p> <p>9 appeal and they lost it, so the money went to the people</p> <p>10 that the money was for.</p> <p>11 Q And when did that all happen? I mean, when did --</p> <p>12 A I feel like the appeal thing came down in August of 2015,</p> <p>13 like the -- whatever.</p> <p>14 Q Okay.</p> <p>15 A But I'm completely guessing on when the order came down.</p> <p>16 Q Sure, okay. How much was the sanction against</p> <p>17 Mr. Hansmeier?</p> <p>18 A I don't remember at all.</p> <p>19 Q Okay.</p> <p>20 MR. BURNS: We've been going a little over an</p> <p>21 hour, Randy. Might this be a good time for a break?</p> <p>22 MR. SEAVER: No problem.</p> <p>23 (Short break taken.)</p> <p>24 (Browne Deposition Exhibit 13 was marked for</p> <p>25 identification by the court reporter and</p>
<p style="text-align: right;">Page 62</p> <p>1 A Yes.</p> <p>2 Q And Mr. Hansmeier says, Go get out \$60,000 in cash and give</p> <p>3 it to Mr. Steele?</p> <p>4 A Well, we talked about it before he came over.</p> <p>5 Q Okay. And what was that talk?</p> <p>6 A The talk was about whether we should -- whether we should</p> <p>7 contribute to the bond.</p> <p>8 Q Okay.</p> <p>9 A And the fact that he did not have the money to do it</p> <p>10 himself so that if we were going to contribute to the bond,</p> <p>11 it would have to come out of the trust money that was in</p> <p>12 the closet.</p> <p>13 Q Okay. So there's no record?</p> <p>14 A No.</p> <p>15 Q Okay. Are there sanctions against Mr. Hansmeier in the</p> <p>16 Lightspeed case?</p> <p>17 A There are -- there were -- can you be more specific?</p> <p>18 Q Was this to cover -- the \$60,000 that you and Mr. Hansmeier</p> <p>19 gave to Mr. Steele, was it to cover a bond for</p> <p>20 Mr. Hansmeier?</p> <p>21 A Yes. So he would have been one of the people on -- that</p> <p>22 was put on a judgment and, again, I'm not positive it's the</p> <p>23 Lightspeed one, but I think it was.</p> <p>24 Q Okay.</p> <p>25 A Because I'm pretty sure that one had a bond. So if it was</p>	<p style="text-align: right;">Page 64</p> <p>1 attached hereto.)</p> <p>2 BY MR. SEAVER:</p> <p>3 Q We're back on the record now and you understand you're</p> <p>4 still under oath?</p> <p>5 A Yes, I do.</p> <p>6 Q And I'm putting in front of you what's been marked as</p> <p>7 Exhibit 13, and Exhibit 13 is a copy of a deposit slip that</p> <p>8 Associated Bank produced pursuant to a subpoena.</p> <p>9 A Okay.</p> <p>10 Q And this is the \$5,900 deposit on July 27 of 2015, correct?</p> <p>11 A Yes.</p> <p>12 Q So this indicates it is a cash deposit, right?</p> <p>13 A Yes.</p> <p>14 Q Okay. So look at Exhibit 12 again, if you would. It's --</p> <p>15 okay, you have that, right?</p> <p>16 A Yep, I got it.</p> <p>17 Q So down there at the bottom, now we know the 5,900 is cash,</p> <p>18 right?</p> <p>19 A Yes.</p> <p>20 Q So that's accurate. The September 2 \$10,000 is cash?</p> <p>21 A Yes.</p> <p>22 Q And the December 10, \$5,000 is cash, right?</p> <p>23 A Yes.</p> <p>24 Q Okay. So that's a total of \$20,900, correct?</p> <p>25 A Yep -- yes.</p>

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1 Q That was deposited by you on those dates?
2 A Yes.
3 Q All right. I'm putting back in front of you Exhibit
4 Number 5.
5 A Yep.
6 Q And Exhibit Number 5 is the page from Mr. Hansmeier's
7 bankruptcy that we looked at earlier where it said trust
8 money of 8,554 --
9 A Yes.
10 Q -- on the date of his filing, correct?
11 A Yes.
12 Q But we know that's not true, don't we?
13 A No.
14 Q Okay. Well, let's look again at how much cash you
15 deposited after -- on or after July 27. It's \$20,900,
16 correct, right here (indicating), Exhibit 12?
17 A Yes.
18 Q And that far exceeds \$8,554 that's on Exhibit 5, doesn't
19 it?
20 A Yes.
21 Q So we know Exhibit 5 isn't true, don't we?
22 A No.
23 Q Why?
24 A Well, because -- well, I'm not positive where the 10,000 --
25 I'm assuming it came out of this stuff, but --

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1 Q Where else would --
2 A Excuse me, let me finish. I know the 5,900 I deposited
3 since you said it was cash was to pay off credit cards that
4 I had previously incurred and I believe the same thing
5 happened for September 2nd, so although the cash had not
6 been deposited yet to go out, it had already been spent.
7 Q Where did the cash come from for those three deposits?
8 July 27th is from the 180,000, isn't it --
9 A Yes, and I'm saying that --
10 Q Okay, now let me finish. September 2, 2015, 10,000 is from
11 the 180,000, correct?
12 A Yes.
13 Q The December 10 \$5,000 deposit is from the 180,000,
14 correct?
15 A Yes.
16 Q Okay. And that totals 20,900, correct?
17 A Yes.
18 Q So you had to have at least 20,900 in cash in your
19 possession on July 13 of 2015?
20 A Yes, and I'm saying when we filed, I had spent that money,
21 the 15,000 already, approximately, on various things and
22 was paying -- so I said that's not there because I need to
23 pay off my credit card, and then I deposited it afterwards.
24 Just because he hadn't -- just because he listed 8,500, we
25 said, well, we've already spent that money on a credit

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1 card, we just haven't paid it off yet, so we're going to
2 say that that's not there, and then the 5,000 is part of
3 the 8,000 that we were still saying was part of the trust.
4 Q So you and Mr. Hansmeier sat down and counted out how much
5 money was left there, correct?
6 A Yes.
7 Q Okay.
8 A Pretty close. I mean, there was probably some ones and
9 stuff lying around.
10 Q And what did you come up with for a total?
11 A I don't remember exactly how much it was.
12 Q Okay. And then you and he talked and decided rather than
13 stating how much cash was actually there, you would deduct
14 for cash that was -- for things that you were going to pay
15 in the future?
16 A For things that had already been purchased on my credit
17 cards that needed to be paid off. They had already -- I
18 had already, essentially, bought them, we had the things.
19 Q You charged them on your cards?
20 A Yes, and it needed to be paid off.
21 Q All right. But we know there's at least an additional \$500
22 or so that you testified earlier today that still exists,
23 right?
24 A Yes.
25 Q So we know that there was over \$21,000 in cash on the day

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1 you filed bankruptcy, correct?
2 A Yes.
3 Q Okay. If there's any of that cash left, Ms. Browne, I
4 believe it's property of this estate, so don't spend it.
5 You can talk to your attorney about this, but that's the
6 way it appears to me.
7 A I disagree with your assessment of that.
8 Q Why do you disagree with that?
9 A Because it's part of the trust and the trust was one where
10 he didn't -- his money was the trust money and, therefore,
11 it's not actually part of the estate until you -- well, you
12 would have to --
13 Q Tell me why?
14 A You would actually have to break the trust. You would have
15 to legally break the trust before it would become part of
16 the estate.
17 MR. BURNS: I would now just wait until
18 Mr. Seaver asked a question and then you can answer the
19 questions that he asks.
20 BY MR. SEAVER:
21 Q So that's why you think this cash isn't bankruptcy estate
22 property?
23 A That's correct.
24 Q Okay. Ms. Browne, did you use any of the cash, any of the
25 180,000 or so in cash that was taken out of those accounts

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1 to purchase any cashier's checks?
2 A No.
3 Q Did you use it to purchase any money orders or anything
4 like that?
5 A No.
6 Q Did you deposit any of those funds -- well, tell me any
7 bank account that you deposited any of those funds, the
8 cash into?
9 A Only -- it would have only been into an Associated Bank
10 account.
11 Q One of those two Associated Bank accounts?
12 A Yes.
13 Q And by that I mean the one in your name and the one in your
14 and Paul's names?
15 A That's correct.
16 Q Did you put any of it into a brokerage account?
17 A No.
18 Q So other than the cash, the 60,000 -- was it 60,000 even
19 that you folks gave to Mr. Steele?
20 A I think so. I'm not positive on that.
21 Q Okay. So there's the 60,000, roughly, to Mr. Steele.
22 There's the money that we saw redeposited into the account.
23 Is that the world of what happened to the cash that you
24 took out?
25 A No, we spent cash on things.

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1 Q Like what things?
2 A Like babysitters, going out, paying a handyman who came to
3 fix stuff at the condo.
4 Q Anything else?
5 A I mean, anything we would -- that I would have spent cash
6 on, groceries possibly, coffee.
7 Q Other than the Steele payment, the deposits into the two
8 Associated Bank accounts, was there anything that exceeded
9 \$1,000 --
10 A No.
11 Q -- to any single person or entity?
12 A Sorry. No, not that I -- no.
13 Q Okay.
14 (Browne Deposition Exhibit 14 was marked for
15 identification by the court reporter and
16 attached hereto.)
17 BY MR. SEAVER:
18 Q All right. I'm putting in front of you what has been
19 marked as Exhibit 14, and Exhibit 14 is a copy of a listing
20 agreement.
21 MR. BURNS: Can you just wait until I catch
22 up? I've been going backwards through your -- is it --
23 MR. SEAVER: It's the Lake Sotheby's --
24 MR. BURNS: Okay, got it, and that's 15?
25 MR. SEAVER: It's 14.

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1 MR. BURNS: Fourteen, okay.
2 BY MR. SEAVER:
3 Q Do you have that in front of you?
4 A I do.
5 Q Can you tell me what this is, ma'am?
6 A I believe this is the listing agreement for our condo or
7 our former condo.
8 Q Okay. And that was for the listing for the condo in the
9 Carlyle?
10 A That's correct.
11 Q All right. And there's a date -- on the first page of this
12 Exhibit 14, there's a date up there of September 16, 2015.
13 Do you see that?
14 A I do.
15 Q Is that the date that you and Mr. Hansmeier signed the
16 listing agreement?
17 A I'm going to assume, yes.
18 Q Okay. And in the -- on the front of this -- well, let's
19 look at the signatures for a minute here. They appear to
20 me to be e-signatures on here?
21 A That is correct.
22 Q How was -- how did you go about signing it?
23 A It was electronic, whatever that -- some document thing.
24 We got a link and you went to it and read through it and
25 typed in your name.

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1 Q Okay. And to the best of your knowledge, it's September 16
2 that you would have put your e-signature --
3 A I know it was in September, so that seems reasonable.
4 Q Okay. And this is -- the only two people signing this as
5 the people selling the property are you and Mr. Hansmeier,
6 correct?
7 A That is correct.
8 Q The Chapter 13 trustee never agreed to pay any commission,
9 did he? He's not a signatory to this?
10 A No, he's not a signatory.
11 Q Nor am I, of course, right?
12 A Right.
13 Q In fact, there was no Chapter 7 until after this listing
14 agreement was signed?
15 A That's correct.
16 Q Okay. And turn to the second page of this, if you would.
17 I'm at line 59 there and it says, "Seller --" and that's
18 you and Mr. Hansmeier, correct?
19 A Yes.
20 Q "-- shall pay Broker, as Broker's compensation, 6 percent,"
21 correct?
22 A Yes.
23 Q And so you and Mr. Hansmeier agreed to pay to the broker
24 6 percent of the -- a 6 percent commission on the sale
25 price, correct?

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1 A Yes.
2 Q And then it says that the commission shall be reduced to 5
3 percent if the seller purchases the next home with, and
4 there are a couple of names, correct?
5 A Yes.
6 Q But the actual commission paid at closing was the
7 6 percent, wasn't it?
8 A That is my understanding, yes.
9 Q Okay. And then down at line 63, starting at line 63, it
10 goes on to set out conditions upon which you and
11 Mr. Hansmeier would become obligated to pay the commission,
12 correct? That's --
13 A I'm sorry?
14 Q Yeah, and take time to read through it. Lines 63 through
15 70, if you will just read through those and then let me
16 know when you're done and I'll ask you the question.
17 A And where am I supposed to read through?
18 Q Lines 63 through 70, those lines.
19 A Okay.
20 Q So those lines, in summary, they set forth conditions under
21 which you and Mr. Hansmeier would become obligated to pay
22 the commission, correct?
23 A Yes.
24 Q Okay. And what actually happened was the sale closed,
25 right?

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1 A Yes.
2 Q And the commission was paid at closing?
3 A Yes.
4 Q Okay. This listing agreement contains an exclusion for
5 MLS, it doesn't go on MLS?
6 A It did go on MLS, though.
7 Q Oh, it did?
8 A It did. We ended up not doing the exclusion.
9 Q Okay. There is a certification to withhold property --
10 A Right.
11 Q -- but your testimony is that you changed your mind on
12 that?
13 A Yes. It took longer to get the house ready to be put up,
14 so because it was getting towards the end of the selling
15 season, we skipped the pocket listing portion and went
16 directly to MLS.
17 Q Okay. Do you know when it went on MLS?
18 A I want to say right around the 1st of November, but I'm not
19 positive.
20 Q Okay. So the buyer came along quickly after it went on
21 MLS?
22 A She did, in approximately ten days, I believe.
23 Q And just so you know, we aren't mentioning her name here,
24 right?
25 A That's fine.

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1 Q And I say that because while I wasn't present at the
2 hearing, I understand at the hearing on the sale
3 authorization that the bankruptcy court judge, you know,
4 wanted that maintained.
5 A Yes.
6 Q Okay. And I'm sorry, tell me again, you think it was
7 around November 1st that it went on MLS?
8 A Right. Well, I know that it wasn't listed yet when I
9 testified on October 28th in my previous examination.
10 Q It wasn't on MLS yet?
11 A It hadn't been listed yet on October 28th.
12 Q But you had signed a listing agreement?
13 A But we hadn't listed it yet. We signed the agreement with
14 them and then we needed to finish doing what we were doing
15 to the property, so it wasn't ready for pocket listing yet,
16 it wasn't staged yet when we listed it, it was simply this
17 is the person that we're going to go forward with and they
18 hooked us up with the person that did our -- coordinated
19 getting the house ready to go.
20 Q But just so we're clear on this, though, you knew that once
21 you signed this listing agreement, Exhibit 14, you and
22 Mr. Hansmeier were obligated to perform as required by the
23 agreement?
24 A Yes.
25 Q Okay.

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1 (Browne Deposition Exhibit 15 was marked for
2 identification by the court reporter and
3 attached hereto.)
4 BY MR. SEAVER:
5 Q I'm showing you now what's been marked as Exhibit
6 Number 15, and Exhibit Number 15 is a copy of the Purchase
7 Agreement. It's a redacted copy of the Purchase Agreement.
8 I've redacted the buyer's name, that's the extent of the
9 redaction here.
10 A Okay.
11 Q And just look at it, but does this appear to be the
12 Purchase Agreement that you and Mr. Hansmeier signed?
13 A Yes.
14 Q All right. And you and Mr. Hansmeier are the only people
15 signing as sellers here, correct?
16 A That is correct.
17 Q The Chapter 13 trustee is not a signatory to this?
18 A That is correct.
19 Q And it's dated -- on the front page it says November 9 of
20 2015. Does that sound like the date to you that you and
21 Mr. Hansmeier signed off on this?
22 A It depends on what time of day. I can't remember if we
23 signed it the same day or the next day.
24 Q Okay. And it was an e-signature, so you did it at home?
25 A Yes.

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1 Q And home at that time was the rental property, right?

2 A Yes.

3 Q Okay. So it was either the 9th of November or the 10th of

4 November?

5 A Yes.

6 Q All right. And the sale price was \$1.2 million, correct?

7 A That is correct.

8 (Browne Deposition Exhibit 16 was marked for

9 identification by the court reporter and

10 attached hereto.)

11 BY MR. SEAVER:

12 Q All right. I'm showing you what's been marked as

13 Exhibit 16, and this is a copy that I received, I think it

14 was from Mr. Hansmeier's documents in the dropbox. It's

15 the Residential Lease?

16 A Yes.

17 Q You recognize it as that, don't you?

18 A I do, yes.

19 Q All right. And this is the lease that you and

20 Mr. Hansmeier signed for the property at -- what's the

21 address there?

22 A 3749 Sunbury Alcove.

23 Q Okay. And if you turn to the very last page of this,

24 that's where -- these are actual signatures, and it appears

25 that you and Mr. Hansmeier both signed this on

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1 September 26th, 2015, correct?

2 A Yes.

3 Q So it was signed several days after you folks signed the

4 listing agreement?

5 A Yes.

6 Q When did you actually move into this property, then?

7 A October 5th.

8 Q Okay. Oh, that's the start date on the lease?

9 A Yes.

10 Q Okay. Did you have a moving company move you?

11 A We did.

12 Q Who was that?

13 A I don't remember what their name was.

14 Q How much did the move cost?

15 A Approximately a thousand dollars.

16 Q That's a good deal.

17 A Yeah.

18 Q How did you pay them?

19 A Credit card.

20 Q Okay. Was it your card or --

21 A It is.

22 Q -- Mr. Hansmeier's?

23 A It was mine.

24 Q Which one was it?

25 A I'm not sure, but I believe you have a copy of that

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1 statement, actually.

2 Q Okay. Did it come directly out of your account?

3 A So it was either a Bank of America or -- I'm not sure, I

4 really don't remember which one it was.

5 Q Do you and Mr. Hansmeier have any joint credit cards?

6 A No.

7 Q And have you since -- let's just say since January of 2014?

8 A We have never had a joint credit card.

9 Q Okay, that makes it easy.

10 (Browne Deposition Exhibit 17 was marked for

11 identification by the court reporter and

12 attached hereto.)

13 BY MR. SEAVER:

14 Q All right. I'm putting in front of you what has been

15 marked as Exhibit 17 and Exhibit 17 is -- it's a copy of

16 the closing statement from the sale of the condo and,

17 again, I redacted this to the extent of taking out the name

18 of the buyer. You have seen this before, right?

19 A I have.

20 Q And you actually signed off on this same HUD statement?

21 A Yes.

22 Q And I'm -- looking at the first page, there is the -- there

23 is the judgment payoff to Best & Flanagan and that was a

24 judgment against Mr. Hansmeier, correct?

25 A Yes.

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1 Q Okay. I mean, you weren't --

2 A I was not on the judgment.

3 Q Okay. And then down in the Commission section, there are

4 the commission numbers there. You agree that those numbers

5 were correct, right?

6 A Yes.

7 Q And those are the commissions that you and Mr. Hansmeier

8 agreed to pay when you signed the listing agreement,

9 correct?

10 A Yes.

11 Q All right. The next page of this, go to the Miscellaneous

12 section here and there is a balance of HOA dues to the

13 Carlyle for a little over 1,100. That's the homeowners

14 association, right?

15 A Yes.

16 Q And then there's a contractor's invoice to J. Nordstrom

17 Plumbing for \$150. Was that a contract that you had with

18 Nordstrom?

19 A Yes.

20 Q And then there's an electrical usage to the Carlyle.

21 That's just you and Mr. Hansmeier using electricity at the

22 Carlyle; is that what it is?

23 A That's correct.

24 Q Okay. And then there's an escrow for Nicollet Mall and it

25 goes on. Do you know what that is?

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1 A I believe it's because they are doing some beautification
2 stuff and there was an assessment because we lived by it.
3 Q Okay. And then there's the HOA dues and those are just the
4 dues that were current as of the day of closing; is that
5 your understanding?
6 A Yes.
7 Q Okay. And then the invoice for carpet to Midwest
8 Interiors, was that a contract you had with Midwest
9 Interiors?
10 A Yes.
11 Q The invoice for flooring to Duane's Floor Service, is that
12 a contract that you had with Duane's Floor Service?
13 A Yes.
14 Q The invoice for painting to Roell, is that a contract you
15 had with Roell?
16 A Yes.
17 Q Invoice to Pride Electric, is that a contract you had with
18 Pride Electric?
19 A Yes.
20 Q Lights and cleaning to Fix Design Haus, is that a contract
21 you had with Fix Design Haus?
22 A Yes.
23 Q And then the "reimburse realtor for resale disclosure,"
24 what's that?
25 A I don't know. I --

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1 Q But it was only \$160?
2 A Yes.
3 Q So these items in the Miscellaneous and -- let me just
4 delineate them. The items on the exhibit that I've put the
5 checkmarks next to --
6 A Yeah.
7 Q -- and they show there on the exhibit in blue ink, those
8 are all items that you were personally obligated to pay,
9 correct?
10 A Yes.
11 Q And they were paid at closing, correct?
12 A Yes.
13 (Browne Deposition Exhibits 18 through 25 were
14 marked for identification by the court
15 reporter and attached hereto.)
16 BY MR. SEAVER:
17 Q All right. I'm showing you what's been marked as Exhibit
18 Number 18 and this is -- it's an invoice from Fix Design
19 Haus and it says, "Bill to: Padraigin Browne," and it was
20 for \$4,519.75. Do you see that?
21 A I do.
22 Q And this invoice indicates, or at least appears to
23 indicate, that it was paid, correct?
24 A Yes.
25 Q How was that paid?

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1 A Credit card.
2 Q Okay. One of your credit cards?
3 A That's correct.
4 Q All right. The next one, I'm putting Exhibit 19 in front
5 of you and this is an invoice from Duane's Floor Service
6 and this was -- this was one of the ones that got paid at
7 closing?
8 A I believe so.
9 Q The invoice is saying \$3,740 on this one, but the Duane's
10 closing line item is \$4,065, but it's close?
11 A Well, they had to come back in and do a little bit extra.
12 Q Oh, so there's probably a little invoice after this one?
13 A Yeah, and I may have even approved it over the phone. I'm
14 not sure I even got --
15 Q But at any rate, that's the Duane's Floor Service on the
16 closing statement?
17 A Yeah.
18 Q Okay. And I'm putting in front of you Exhibit 20 now.
19 This is an invoice from Midwest Interiors. The original
20 amount was \$3,700 and then there was a deposit of \$1,900,
21 correct?
22 A Yes.
23 Q How was the \$1,900 paid?
24 A Credit card.
25 Q Okay. And this is one of the items that got paid, the

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1 balance, at closing, correct?
2 A Yes.
3 Q I'm putting Exhibit 21 in front of you now, which is a
4 Pride Electric invoice, and this is -- it's showing a
5 balance of \$760 on this invoice. The closing statement
6 shows \$450. Was there some money paid along the way?
7 A I'm assuming I must have made a credit card payment.
8 Q Okay. That's where it would have come from if you did?
9 A Yeah. I -- yeah. The only other thing I can think of is
10 that Fix Staging paid them also, because this one, the
11 customer is actually Fix Staging.
12 Q Okay. So they could have paid something on it for the
13 difference?
14 A Yeah, from, like, my -- because we made a first payment to
15 Fix Haus, so they may have made a payment.
16 Q Okay.
17 A Because I don't remember making a payment on that one,
18 but --
19 Q Okay. The Fix Haus payment or the Fix payment, the initial
20 payment, is that one we already looked at?
21 A Yeah, that's the one where it was -- it's Exhibit 18.
22 Q The credit card?
23 A Yeah, the credit card.
24 Q Okay. All right, I'm putting in front of you now Exhibit
25 Number 22.

Page 85	Page 87
<p>1 A Yes.</p> <p>2 Q And that's a bill or invoice from CR Heating?</p> <p>3 A Yes.</p> <p>4 Q And that's one of -- was that one paid at closing?</p> <p>5 A No, I paid that with a check.</p> <p>6 Q Okay. It was coming out of your Associated Bank account?</p> <p>7 A Yes.</p> <p>8 Q Okay. And I'm putting Exhibit Number 23 in front of you</p> <p>9 now, and this is -- it says -- I can't really read exactly</p> <p>10 what it says over there on the right side, but do you</p> <p>11 recognize this bill?</p> <p>12 A Yes, it's for the cleaners.</p> <p>13 Q Okay. And did you pay them directly?</p> <p>14 A No. You see lights and cleaning for the 4,861 --</p> <p>15 Q Oh, that's this one?</p> <p>16 A Yeah, that's been rolled in.</p> <p>17 Q Okay. And I'm showing you now what's been marked as</p> <p>18 Exhibit 24. This says "Contractors Invoice" up at the top,</p> <p>19 J. Nordstrom Plumbing, and that's the 150 that's on the</p> <p>20 closing statement?</p> <p>21 A That's correct.</p> <p>22 Q Okay. And I'm showing you now Exhibit Number 25. This is</p> <p>23 the Roell Painting Company invoice and this is showing a</p> <p>24 \$3,000 previous payment. Was that a credit card payment?</p> <p>25 A It looks like that was that check that we didn't know,</p>	<p>1 your understanding of this amount, but did you go through</p> <p>2 and figure this out, what you thought you were owed out of</p> <p>3 this?</p> <p>4 A Yes, I did a little look at what I thought was appropriate.</p> <p>5 Q And did you deduct from what you thought was owed to you</p> <p>6 your share of the commission?</p> <p>7 A This number is after the commission is taken out of the</p> <p>8 purchase price, after all the payments. This number is --</p> <p>9 Q You're looking at Exhibit Number 17 now?</p> <p>10 A I am. Let's see, where is it? This number is the</p> <p>11 435,906.21 plus 71,620.90 divided by 2, I believe.</p> <p>12 Q Okay. Just so we're clear, though, and I think we were</p> <p>13 earlier, you agree with me that you and Mr. Hansmeier are</p> <p>14 responsible for payment of the commission, don't you?</p> <p>15 A I believe that that was what was listed on the -- on our</p> <p>16 Purchase Agreement.</p> <p>17 Q And you agree with that, don't you?</p> <p>18 A Yes, and it was paid.</p> <p>19 Q And the only two people who agreed to pay it were you and</p> <p>20 Mr. Hansmeier?</p> <p>21 A That is correct.</p> <p>22 MR. SEEVER: All right. Let's go off the</p> <p>23 record here.</p> <p>24 (Short break taken.)</p> <p>25 (Browne Deposition Exhibit 27 was marked for</p>
Page 86	Page 88
<p>1 1315. It looks like that's what that check was.</p> <p>2 Q Oh, okay, yep. So you think this was a check coming out of</p> <p>3 your personal -- your Associated Bank account?</p> <p>4 A Yes.</p> <p>5 Q Okay. And then the balance of this invoice was paid at</p> <p>6 closing, correct?</p> <p>7 A That's correct.</p> <p>8 (Browne Deposition Exhibit 26 was marked for</p> <p>9 identification by the court reporter and</p> <p>10 attached hereto.)</p> <p>11 BY MR. SEEVER:</p> <p>12 Q I'm putting in front of you Exhibit Number 28 (sic). This</p> <p>13 is a copy of a letter that was faxed over to me yesterday</p> <p>14 by your attorney, Mr. Burns, talking about proceeds that</p> <p>15 are being held per the court order on the sale of the</p> <p>16 property, and he has a number in there of \$253,763.56. Do</p> <p>17 you know how that number is calculated?</p> <p>18 A I believe it is the purchase price of the house minus TCF.</p> <p>19 Q Okay.</p> <p>20 A Minus all -- everything -- I guess maybe the better way to</p> <p>21 say it would be the amount that you received, the 435 --</p> <p>22 Q Yeah.</p> <p>23 A -- plus the amount of the Chowdhury lien divided by two.</p> <p>24 Q Okay. So when you -- did you -- I'm not asking for your</p> <p>25 communications here with Mr. Burns, I'm just trying to get</p>	<p>1 identification by the court reporter and</p> <p>2 attached hereto.)</p> <p>3 BY MR. SEEVER:</p> <p>4 Q We're back on the record here now and you understand you're</p> <p>5 still under oath?</p> <p>6 A I do.</p> <p>7 Q When you and Mr. Hansmeier moved into the rental home --</p> <p>8 October 5th, right?</p> <p>9 A Yes.</p> <p>10 Q You didn't have any intention of returning to the Carlyle,</p> <p>11 did you?</p> <p>12 A Our intent was to return if we didn't sell it, but assuming</p> <p>13 that it sold, we would not be returning.</p> <p>14 Q Once the Purchase Agreement was signed, you knew you</p> <p>15 wouldn't be returning, assuming it closed?</p> <p>16 A Yes.</p> <p>17 Q Okay. I'm putting in front of you what's Exhibit Number 27</p> <p>18 and this is a condensed transcription of the testimony that</p> <p>19 you gave during the course of the Chapter 13 on October 28,</p> <p>20 2015, and just turn, if you would, Ms. Browne, to where it</p> <p>21 says "Page: 13" in the upper right corner. It's pages 51</p> <p>22 and 52 of your testimony, and just take some time to read</p> <p>23 through pages 51 and 52 and let me know when you're done.</p> <p>24 A Yes.</p> <p>25 Q All right. So at page 51, you -- the question to you, I'm</p>

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1 at line 9 now, "I understand you're going to list it for
2 \$950,000, did I hear that correctly?" And your response
3 is?
4 A "We will have a final decision on that after the repair
5 work is done."
6 Q But you had signed the listing agreement more than a month
7 before that listing it at -- agreeing to sell it for
8 1.3 million, correct?
9 A Yes, we signed the agreement, but --
10 Q And -- go ahead.
11 A But when we talked to them, they said that that's where
12 they were hoping that we would be able to do it and that's
13 where the contract would kick in where we would have to pay
14 if we didn't sell it, but that we would have to make a
15 final decision on where we should actually make the listing
16 after we saw how the house looked when everything was done.
17 Q So why didn't you tell him that you had already signed the
18 listing agreement for \$1.3 million?
19 A He didn't ask that.
20 Q Okay. Let's go to page 52, line 2. "Do you know when
21 you're going to make a decision on the listing price," is
22 the question, and your answer is?
23 A "We have not scheduled a final appointment with him yet."
24 Q And, again, why didn't you tell him you had already signed
25 a listing agreement for \$1.3 million?

Page 90

1 A We did tell them that we were using a realtor. It says we
2 told him we were using Ben Ganje.
3 Q Right.
4 A And again, the question was, when are you going to make a
5 final decision for what you're going to list at, and we had
6 not made that decision yet. We had not met with him and we
7 had not scheduled the time when we would make the final
8 determination based on how things were looking, if we could
9 actually do the 1.3 or if we needed to go lower.
10 Q So you didn't think that either of those questions required
11 you to disclose to him the fact that you had already signed
12 a listing agreement for 1.3 million?
13 A No, because it doesn't say that. He did not ask those
14 questions.
15 Q Well, how would he know the sale price? That's what he was
16 trying to get from you, the listing price, isn't it?
17 A It's not my job to do his job for him. If he wants to
18 know, he needs to ask the correct question.
19 Q I see. And you didn't feel any obligation to tell him, in
20 response to those questions, that a listing agreement had
21 already been signed?
22 A That's correct.
23 Q Okay. I do not have anything -- well, let me ask you,
24 this: So this deposition was October 28 of 2015. It went
25 on MLS four days later?

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1 A I believe so, yes.
2 Q All right. So when did you make this final decision to
3 list it for exactly the same price that you had in the
4 listing agreement that you signed back in September?
5 A About two hours before it went on.
6 Q Okay. And I'm right on that, right, it was the same
7 price -- it was listed for exactly the same price --
8 A It did.
9 Q -- that's in the listing agreement that's signed in
10 September?
11 A Yes, which was actually a change from what we had discussed
12 with him. We had discussed originally with Mr. Ganje that
13 the pocket listing would be at 1.3 and then we would put it
14 on MLS for less than that, for 1.2, but because things
15 changed, we ended up listing on MLS for 1.3, which was
16 different than what our original verbal agreement had been.
17 Q But not different than what your written agreement that you
18 and Mr. Hansmeier had signed was?
19 A Right, not different than the max amount that we had to
20 accept. What it says is we are not going to definitely
21 list for 1.3, it says if we get an offer of 1.3, then we
22 have to pay him whether or not we decide to sell.
23 MR. SEAVER: Okay. I don't have anything
24 further.
25 MR. BURNS: Okay. We have no questions.

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1 We'll read and sign.
2 (Deposition concluded at 3:05 p.m.)
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Page 93

1 VERIFICATION OF DEPONENT TO TRANSCRIPT
2 I, PADRAIGIN BROWNE, do hereby verify that I
3 have read the foregoing transcript consisting of the
4 preceding 92 pages and do further verify that it is a true
5 and complete transcript of the testimony given by me on
6 February 18, 2016, (except for the following, stating page
7 and line number and the reason for the change).
8 Page Line Change or Addition Reason
9 1.
10 2.
11 3.
12 4.
13 5.
14 6.
15 7.
16 8.
17 9.
18 10.
19
20 PADRAIGIN BROWNE
21 DATED: _____
22 _____
23 Notary
24 Signed before me this _____ day of _____, 20____.
25 COLLEEN M. SICHKO, RPR

February 19, 2016

Dave Burns, Esq.
475 Grain Exchange North
301 Fourth Avenue South
Minneapolis, MN 55415

In re: Paul Hansmeier, Debtor

Deposition of PADRAIGIN BROWNE, taken February 18, 2016

Dear Mr. Burns:

A copy of the above-referenced deposition is enclosed, along with the reading and signing certificates. When Ms. Browne has completed the reading and signing, please return all but your copy of the executed certificate to me for proper distribution.

In accordance with the Rules of Civil Procedure, if I do not receive the executed certificate within thirty (30) days of the date hereon, I will send the unsigned original transcript to Mr. Seaver for proper filing.

Should you have any questions, do not hesitate to contact me.

Sincerely,

SHADDIX & ASSOCIATES

Colleen M. Sichko
Registered Professional Reporter

Enclosure

cc: Randall L. Seaver, Esq.

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1 STATE OF MINNESOTA }
2 COUNTY OF DAKOTA } ss.
3
4 Be it known that I took the deposition of
5 PADRAIGIN BROWNE on the 18th day of February, 2016, at Suite 132,
6 12400 Portland Avenue South, Burnsville, Minnesota;
7 That I was then and there a Notary Public in
8 and for the County of Dakota, State of Minnesota, and that I was
9 duly authorized to administer an oath;
10 That the witness, before testifying, was first
11 duly sworn to testify the truth and nothing but the truth;
12 That the testimony was recorded by myself and
13 transcribed into a computer-aided transcript and that the
14 deposition is a true record of the testimony given by the witness
15 to the best of my ability;
16 That the cost of the original transcript has
17 been charged to the party noticing the deposition, unless
18 otherwise agreed upon by Counsel; and that copies have been made
19 available to all parties at the same cost, unless otherwise
20 agreed upon by Counsel;
21 That I am not related to any of the parties
22 hereto nor interested in the outcome of the action;
23 That the reading and signing of the deposition
24 by the witness was not waived, and that the original transcript
25 will be retained by Mr. Seaver;
26
27 WITNESS MY HAND AND SEAL THIS 19th day of
28 February, 2016.
29
30 COLLEEN M. SICHKO
31 Registered Professional Reporter

Hansmeier Timeline

Date	Case	Event
August 9, 2012	Lightspeed ¹	Case Opened
September 27, 2012	Ingenuity 13, LLC ²	Complaint filed against John Doe
December 3, 2012	Ingenuity 13, LLC	Morgan Pietz files notice of related cases, identifying 49 similar cases filed by related shell companies.
December 20, 2012	Ingenuity 13, LLC	Cases consolidated or assigned to Judge Otis Wright.
December 31, 2012	Ingenuity 13, LLC	Plaintiff (Ingenuity 13) files motion to disqualify Judge Wright.
January 25, 2013	Guava ³	Hearing held, court tells Hansmeier case will be dismissed.
January 28, 2013	Ingenuity 13, LLC	Notice of dismissal filed by Plaintiff
February 6, 2013	Guava	Hansmeier moves \$65K from Alpha Law Firm account to Class Action Justice, PLLC
February 7, 2013	Ingenuity 13, LLC	Order to Show Cause re Sanctions for Rule 11 and Local Rule 83-3 Violations (specifically for Plaintiff's counsel Gibbs).
February 29, 2013	Guava	Hansmeier dismisses Guava case.
March 1, 2013	Guava	Defendant moves for order to show cause on 4/23/13
March 3, 2013	Guava	Hansmeier sends \$80K from Alpha to himself for his house, largely depleting Alpha's account.
March 5, 2013	Ingenuity 13, LLC	Order from court requiring Hansmeier and other related parties to appear personally on March 11, 2013. Doc 66.
March 11, 2013	Ingenuity 13, LLC	Hearing continued to March 29, 2013 to allow for Hansmeier to appear.
March 21, 2013	Lightspeed	Plaintiff's case voluntarily dismissed.
April 5, 2013	Lightspeed	Defendant Smith files motion for attorney fees against Hansmeier.
April 23, 2013	Guava	Dugas, Hansmeier's associate, appears for hearing.
May 6, 2013	Ingenuity 13	Order entered issuing sanctions against Hansmeier by Judge Otis Wright, II. (\$81,319.72).
May 15, 2013	Ingenuity 13	Hansmeier files notice of appeal of sanctions award.
May 15, 2013	Hansmeier Transfers \$51,333.50 from Monyet Scottrade Account to SureTec Insurance Agency for appellate bond.	

¹ "Lightspeed" refers to the civil case no. 12-889-GPM, Lightspeed Media Corp. v. Anthony Smith, filed in the United States District Court for the Southern District of Illinois.

² "Ingenuity 13, LLC" refers to the civil case no. 2:12-cv-08333, Ingenuity 13, LLC v. John Doe, filed in the U.S. District Court for the Central District of California.

³ "Guava" refers to civil case no. 27-cv-12-20976, Guava v. Spencer Merkel, filed in the Hennepin County District Court, Fourth District of Minnesota.

EXHIBIT 2

May 21, 2013	Ingenuity 13	Order Denying Ex Parte Application for Stay of Enforcement; and Order to Show Cause regarding failure to pay attorney fees. Judge imposes a \$1,000 a day penalty if fees are not paid or bond is not posted.
May 23, 2013	Ingenuity 13	Motion for Approval of Bond, it appears Hansmeier posted \$51,333.50 of collateral from the Monyet account for this Bond.
June 4, 2013	Navasco ⁴	Motion on behalf of Navasca seeking an award of attorney's fees.
June 6, 2013	Ingenuity 13	Order from Court requiring additional bond in the amount of \$135,933.66.
June 27, 2013	Hansmeier transfer \$10,000 from Monyet Scottrade Account to Livewire Holdings, LLC (JP Morgan Chase account), for "Investment/ Loan to Livewire".	
June 28, 2013	Hansmeier transfers \$10,000 from Monyet Scottrade Account to Livewire Holdings for "Business Transfer".	
July 2, 2013	Navasco	Motion for sanctions and order holding Hansmeier liable for attorneys fees and costs.
July 15, 2013	Hansmeier transfers \$69,000 to SureTec Insurance Co. for "Suretec Appellate Bond Amount re John Steele and 12-cv-8333"	
July 19, 2013	Hansmeier transfers \$10,000 to SureTec Insurance Co. for "Attorney's Fees Escrow"	
July 23, 2013	Ingenuity 13	Bond posted in the amount of \$135,933.66. It appears Hansmeier posted \$69,000 of collateral from the Monyet account for this Bond.
July 26, 2013	Hansmeier transfers \$25,000 from Monyet Scottrade Account to Class Justice, PLLC (transfer requests states "Capitalize Law Firm").	
July 30, 2013	Hansmeier transfers \$5,000 from Monyet Scottrade Account to Padraigin Brown for "Personal Transfer".	
August 5, 2013	Guava	Order granting sanctions against Guava, LLC
August 7, 2013	Hansmeier transfers \$2,575 from Monyet Scottrade Account to ADP Payroll Account for "Payroll Tax Wire"	
August 25, 2013		Hansmeier dissolves Alpha Law Firm
August 27, 2013	Hansmeier transfers \$30,000 from Monyet Scottrade Account to Padraigin TCF Account for "Trust Agreement".	
September 6, 2013	Guava	Hansmeier withdraws from case
September 23, 2013	Guava	Fourth Judicial District of the State of Minnesota enters judgments of \$4,537.50; \$12,646; and \$12,646 against the Debtor.
September 25, 2013	Hansmeier transfers \$10,000 from Monyet Scottrade Account to Voelker Litigation Group for "Legal Services"	
October 1, 2013	Hansmeier transfers \$25,000 from Monyet Scottrade Account to Class Justice, PLLC for "Business Loan".	
October 22, 2013	Chowdhury ⁵	United States District Court for the District of Massachusetts entered judgment against the debtor and others in the amount of \$64,180.80 in favor of Sandipan Chowdhury.
October 30, 2013	Lightspeed	Order entered granting defendant's motion for recovery of attorney's fees.
October 31, 2013	Guava	Hansmeier appeals judgment, uses last of Alpha's money to pay appellate filing fee.

⁴ "Navasco" refers to civil case no. 3:12-CV-02396, AF Holdings, LLC v. Navasco, filed in the U.S. District Court for the Northern District of California.

⁵ "Chowdhury" refers to civil case no. 12-12105, AF Holdings, LLC v. Chowdhury, filed in U.S. District Court for the District of Massachusetts.

November 13, 2013	Lightspeed	Court hears motions to vacate order of fees awarded to Smith and motions for fees and expenses filed by AT&T and Comcast.
November 19, 2013	Hansmeier transfers \$10,000 from Monyet Scottrade Account to Voelker Litigation Group for "Business"	
November 19, 2013	Hansmeier transfers \$20,000 from Monyet Scottrade Account to Class Justice, PLLC for "Business".	
November 22, 2013	Hansmeier transfers \$175,000 from Monyet Scottrade Account to Padraigin TCF Account "Trust Transfer".	
November 27, 2013	Lightspeed	United States District Court for the Southern District of Illinois entered judgment against the debtor and others in the amounts of \$72,367; \$119,637.05; and \$69,021.26(total of \$261,025.31).
December 9, 2013	Hansmeier transfers \$21,250 from Monyet Scottrade Account to Robert Balzebre for "Loan"	
December 12, 2013	Lightspeed	Hansmeier Appeals award of attorney fees.
December 27, 2013	Lightspeed	Defendant's file motion for contempt against Debtor.
January 8, 2014	Guava	John Does move to add Hansmeier as a judgment debtor.
January 17, 2014	Hansmeier transfers \$20,000 from Monyet Scottrade Account to Class Justice, PLLC "Loan Installment".	
January 29, 2014	Lightspeed	Court enters docket order directing Defendant's to file reply to Plaintiff's response on motion for contempt by February 6, 2014, hearing to be held on February 13, 2014.
February 7, 2014	Hansmeier transfers \$70,000 from Monyet Scottrade Account to Padraigin TCF account for "Trust Transfer".	
February 13, 2014	Lightspeed	Motion for contempt taken under advisement, Hansmeier ordered to submit asset statements prepared by certified public accountant on or before 2/24/2014. At the hearing Hansmeier indicated an inability to pay.
March 19, 2014	Hansmeier transfers \$25,000 from Monyet Scottrade Account to Class Justice, PLLC for "Installment Loan"	
March 19, 2014	Hansmeier transfers \$3,750 from Monyet Scottrade Account to Voelker Litigation Group for "Escrow"	
March 20, 2014	Lightspeed	Lightspeed v. Smith (SD IL) Defendant files renewed motion for contempt against Hansmeier.
May 5, 2014	Hansmeier transfers all remaining funds, \$39,231, from Monyet Scottrade Account to Chisholm Properties South Beach, Inc. for "Attorney's Fees Escrow"	
January 20, 2015	Guava	Fourth Judicial District of the State of Minnesota amended a prior judgment and entered judgment against the debtor in the amount of \$63,386.52.

1
2 UNITED STATES BANKRUPTCY COURT
3 DISTRICT OF MINNESOTA
4 -----
5 In re:
6 Paul Hansmeier, Bky. File No: 15-42460
7 Debtors.
8 -----
9 The above-entitled matter came duly on for a
10 341 Meeting of Creditors hearing before the Honorable
11 Randall L. Seaver, pursuant to Notice, on February 25,
12 2016. The hearing was electronically recorded and
13 transcribed by Julie A. Rixo, Court Reporter.
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I N D E X	
WITNESS	PAGE
Paul Hansmeier	4
Examination by Mr. Seaver	4
Examination by Mr. Kreuziger	37

1 APPEARANCES:
2 BARBARA HAY, Attorney at Law, appeared
3 for and with the Debtor.
4 COLIN KREUZIGER, Attorney at Law, U.S.
5 Trustee's Office.
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22 WHEREUPON, the following proceedings were
23 duly had and entered of record, to wit:
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25

EXHIBIT 3

4
1 MR. SEAVER: All right. We're on the
2 record now. This is the Paul Hansmeier case. It's
3 case number 15-42460. This is the continued 341
4 meeting. And present here are Barbara May, Mr.
5 Hansmeier, Colin Kreuziger from the U.S. Trustee's
6 office and other representatives of the U.S.
7 Trustee's office.
8 Would you raise your right hand, sir?
9 PAUL HANSMEIER,
10 after having been first duly sworn, was
11 examined and testified on his oath as follows:
12 EXAMINATION
13 BY MR. SEAVER:
14 Q Would you state your name, please?
15 A Paul Hansmeier.
16 Q And, Mr. Hansmeier, I had made a request through
17 Ms. May for you to bring your financial condition
18 report that you submitted in the Lightspeed case and
19 I didn't see it on the drop box. Did you bring that
20 with you?
21 A I received the request for the statement of
22 financial condition I believe yesterday afternoon.
23 I looked through it, through my boxes in my house
24 from my move. I was not able to locate it; but when
25 I do locate it, I'll drop it on the drop box.

5

1 Q Okay.

2 MS. MAY: But isn't that available on

3 Pacer?

4 THE WITNESS: No, it's not.

5 MS. MAY: Okay.

6 BY MR. SEAVER:

7 Q It was a confidential thing, wasn't it?

8 A I believe it was filed under seal.

9 Q Yeah.

10 A So I can't access it now.

11 Q So you have it, you just haven't been able to locate

12 it?

13 A I believe I have it, but I have not been able to

14 locate it --

15 Q Okay.

16 A -- the past 24 hours.

17 Q All right. The first thing I want to talk about

18 here is the Groupon case that has come to my

19 attention and the Padraigin Brown objection in the

20 Groupon case. I have seen the motion of Ms. Brown

21 for attorney's fees and a service award. And you're

22 representing her in that, correct?

23 A Various attorneys have represented her through the

24 pendency of the litigation. I am representing her

25 in connection with the motion to support the request

6

1 for a service award and attorney's fees.

2 Q And when the objection to the Groupon class --

3 Proposed class settlement was filed, what law firm

4 was representing her?

5 A I believe the attorney who filed the objection on

6 her behalf was an attorney named Brett Gibbs.

7 Q Okay. What law firm, though?

8 A I'm sure it shows on the pleading. I don't recall

9 what law firm he was.

10 Q Well, it was one of your law firms, right?

11 A Again, I don't specifically recall which law firm

12 Brett Gibbs appeared through in connection with that

13 objection. It would be on the caption of the

14 filing.

15 Q Who was Brett Gibbs employed by?

16 A Brett Gibbs is a California attorney, and I'm not

17 clear on who he's employed by at that time.

18 Q Okay. Who was Mr. Worzel employed by?

19 A Mr. Worzel was employed by my law firm at the time.

20 Q What's the name of that law firm?

21 A It would either be -- It would be class action --

22 Well, actually, at the time that Mr. Worzel defended

23 Ms. Brown, I'm not sure if he was employed by any

24 law firm at that point in time. There was a period

25 of time where he was representing her where he was

7

1 employed by a law firm and then there was a period

2 of time where he was not employed by a law firm.

3 Q So the law firm that he was employed by at whatever

4 time, what's the name of that law firm?

5 A I believe it would have been the Class Action

6 Justice Institute.

7 Q All right. And who was the shareholder of that law

8 firm?

9 A I was the shareholder of that law firm.

10 Q The sole one, right?

11 A The sole shareholder.

12 Q Okay. And does Ms. Brown have a contingency fee

13 agreement with someone?

14 A You would have to ask her. She does not have one

15 with me.

16 Q Has she had one with any of your law firms?

17 A She has not had a contingency fee agreement with any

18 of my law firms, to the best of my knowledge.

19 Q Okay. And I ask that because I see in the objector

20 Memorandum of Law in opposition to the motion,

21 et cetera, that you filed you're citing a case and

22 saying the contingent fee lawyer is not a joint

23 owner in his client's claim and it goes on after

24 that. Are you telling me that you're unaware of any

25 contingent fee agreement between Ms. Brown and

8

1 anyone with respect to the Groupon case?

2 A My testimony is that whatever Ms. Brown's agreement

3 is with other attorneys in the case, I can tell you

4 that she did not have one with me or any law firm

5 that I owned.

6 Q Okay. And is it right that she, through you as the

7 attorney, is seeking something in excess of \$200,000

8 in attorney's fees here?

9 A I believe that's the correct figure. She's seeking

10 an award of 10 percent of the amount awarded to

11 class counsel under the common fund theory of

12 recovery.

13 Q And what are the terms of your retention in

14 representing her now?

15 A I don't have a specific agreement with her. All I'm

16 doing right now is filing the paperwork on her

17 behalf to seek the award.

18 Q Do I recall right that she bought a \$5 Groupon

19 certificate; is that what happened?

20 A I'm not going to answer questions about the facts of

21 the case because I am representing her and I believe

22 that it goes to attorney-client privilege. I

23 believe if you look at the documents, her original

24 objection, she clarifies what her basis or standing

25 is in the case.

<p style="text-align: right;">9</p> <p>1 Q Well, you know what that is, though, sir. And it's</p> <p>2 a matter of public record, so I don't think there's</p> <p>3 any attorney-client privilege here. So what was her</p> <p>4 original Groupon purchase?</p> <p>5 A I don't recall the specifics there. It's set forth</p> <p>6 very specifically in her original objection.</p> <p>7 Q And you just don't have any independent recollection</p> <p>8 of that?</p> <p>9 A I -- I recall that she purchased Groupons and that</p> <p>10 was her basis for standing.</p> <p>11 Q So how do you come up with this over \$200,000 you're</p> <p>12 telling the Court she should be paid as attorney's</p> <p>13 fees, you say?</p> <p>14 A Well, as explained in her motion for attorney's</p> <p>15 fees, it's based on the common fund principle, which</p> <p>16 allows an objector who brings benefits to the class</p> <p>17 to receive some of the benefits of that amount in</p> <p>18 return.</p> <p>19 Q Yeah, but it's attorney's fees. I mean, has she</p> <p>20 paid somebody 200,000 in attorney's fees?</p> <p>21 A I don't think she's come out of pocket for \$200,000</p> <p>22 in attorney's fees, no.</p> <p>23 Q So how do you justify asking for 200,000 in</p> <p>24 attorney's fees if she hasn't paid any attorney's</p> <p>25 fees?</p>	<p style="text-align: right;">11</p> <p>1 is one that Ms. May sent over to Matthew Swanson at</p> <p>2 my office on February 22, 2016 at 9:34 a.m.,</p> <p>3 correct?</p> <p>4 A That's correct.</p> <p>5 Q Okay. Here, let me just show you the docket. I've</p> <p>6 printed the docket for the Lightspeed matter. And</p> <p>7 the bond is in the Lightspeed case, right?</p> <p>8 A That's correct.</p> <p>9 Q Okay.</p> <p>10 A Well, I should be clear. It's money on deposit with</p> <p>11 the Court, not a bond.</p> <p>12 Q Right, okay. And if you turn to the next to last</p> <p>13 page of this docket sheet, there's a long carry-over</p> <p>14 court entry there talking about posting -- I don't</p> <p>15 know if you use the word bonds -- I guess deposit</p> <p>16 with the Court. Is this the bond or the money</p> <p>17 posted with the Court that we're talking about here?</p> <p>18 A Yes, it is --</p> <p>19 Q Okay.</p> <p>20 A -- referring to Entry Number 216.</p> <p>21 Q Yeah, thank you. Yeah, it is 216. So is it</p> <p>22 accurate to say that it was on or about August 10 of</p> <p>23 2015 that the \$65,000 got paid into the Court?</p> <p>24 A Yes.</p> <p>25 Q Okay. And you weren't present at this hearing that</p>
<p style="text-align: right;">10</p> <p>1 A Well, just as in any case where attorney's fees</p> <p>2 don't come out of pocket, for example, a contingency</p> <p>3 fee arrangement or an action where someone may</p> <p>4 represent somebody in a civil rights case and</p> <p>5 there's statutory attorney's fees, at the end of the</p> <p>6 case the attorney, even if the client does not come</p> <p>7 out of pocket, is entitled to recover fees -- Or the</p> <p>8 client, actually, is entitled to recover the fees.</p> <p>9 Q Have you ever seen any written agreement between</p> <p>10 Padraigin Brown and any law firm regarding the</p> <p>11 representation of her in this Groupon case?</p> <p>12 A I have not.</p> <p>13 Q Let me just give you a copy of an email that Ms. May</p> <p>14 sent over to Matthew Swanson of my firm earlier this</p> <p>15 week. In this email Ms. May is talking about one of</p> <p>16 Mr. Hansmeier's appeals involving Anthony Smith and</p> <p>17 the \$65,000 sanction. And she says, this case has a</p> <p>18 supersedeas bond.</p> <p>19 Have you seen a copy of this email</p> <p>20 before?</p> <p>21 A I have.</p> <p>22 Q Okay. Is everything in here accurate?</p> <p>23 A Yeah, I believe so.</p> <p>24 Q Okay. And just so we know what email it is, because</p> <p>25 we don't have exhibits here at a 341 meeting, this</p>	<p style="text-align: right;">12</p> <p>1 Ms. May is referring to, correct?</p> <p>2 A I was not present at the hearing.</p> <p>3 Q Okay. As far as you know, the Court hasn't yet</p> <p>4 ruled on that?</p> <p>5 A The Court has not ruled. The appeal has now been</p> <p>6 taken under advisement.</p> <p>7 Q Okay. Have you reviewed the deposition transcript</p> <p>8 of the 2004 examination of Padraigin Brown that was</p> <p>9 taken last week?</p> <p>10 A No.</p> <p>11 Q Have you looked at any part of it?</p> <p>12 A I have looked at some of it, yes.</p> <p>13 Q All right. What parts did you look at, generally</p> <p>14 what areas?</p> <p>15 A I read through the first maybe half of it.</p> <p>16 Q Okay. Let me just give you a few pages that I'd</p> <p>17 like you to read through. I just want to confirm</p> <p>18 some things with you. What I've given you, it's a</p> <p>19 condensed transcript. And I'd just like you to read</p> <p>20 through pages 60 to the top of page 68 to yourself.</p> <p>21 You don't need to read it out loud. Let me know</p> <p>22 when you're done.</p> <p>23 A Okay. I've read through it.</p> <p>24 Q All right. Thanks. Do you see any of her testimony</p> <p>25 there that you believe is not accurate?</p>

<p style="text-align: right;">13</p> <p>1 A Well, some of it I have no personal knowledge of.</p> <p>2 The -- I don't think her testimony regarding -- She</p> <p>3 had some questions about the dates when Mr. Steele</p> <p>4 came over. I don't think August of 2015 is</p> <p>5 accurate.</p> <p>6 Q Okay.</p> <p>7 A I don't know. It was --</p> <p>8 Q Well, the bond or the cash was posted with the</p> <p>9 Court, the \$65,000, in August of 2015, correct?</p> <p>10 A Well, there's been multiple bonds in the case.</p> <p>11 There was the original bond that was associated with</p> <p>12 the sanction amount, about a quarter million</p> <p>13 dollars.</p> <p>14 Q And you didn't participate in that one at all,</p> <p>15 right?</p> <p>16 A That one was money that was loaned to us or</p> <p>17 essentially loaned to John by Mr. Bellsbray</p> <p>18 (phonetic). And then I think -- I think the cash,</p> <p>19 the 60, may have been some effort to pay back Mr.</p> <p>20 Bellsbray. So that's why I think August of 2015 may</p> <p>21 not be the correct date. I think August 2014 may be</p> <p>22 correct.</p> <p>23 Q Well, let's go back to the docket entry that we saw,</p> <p>24 though. You remember that's August 10 of 2015 --</p> <p>25 A Yes.</p>	<p style="text-align: right;">15</p> <p>1 Q Okay. So you think that was when, sir?</p> <p>2 A I believe that was mid-2014, but I don't have a</p> <p>3 specific recollection of when it was.</p> <p>4 Q Okay.</p> <p>5 A Or I suppose it could have been mid-2013, as well,</p> <p>6 because that's when everything was more immediate.</p> <p>7 The sanction was imposed --</p> <p>8 Q Well, had she taken the 180,000 in cash out of the</p> <p>9 bank in mid-2013?</p> <p>10 A No. I guess because the sanction was imposed at the</p> <p>11 end of 2013, so it would have been at some point</p> <p>12 from early to mid-2014.</p> <p>13 Q Okay. Here, let me show you a few pages of a</p> <p>14 transcript from the first session of this Meeting of</p> <p>15 Creditors. This is not a condensed one. This is</p> <p>16 page 23. And starting at line 15 at page 23, well,</p> <p>17 just read through that to yourself, please.</p> <p>18 A I'm sorry. Starting at line?</p> <p>19 Q Oh, sure. Page 23, if you start reading to yourself</p> <p>20 at --</p> <p>21 MS. MAY: Two-thirds of the way down.</p> <p>22 MR. SEAVER: Yeah.</p> <p>23 THE WITNESS: Okay. I've read through</p> <p>24 it.</p> <p>25 BY MR. SEAVER:</p>
<p style="text-align: right;">14</p> <p>1 Q -- that the \$65,000 gets put into court, correct?</p> <p>2 A Yes, that's August of 2015.</p> <p>3 Q Right. And you don't believe that's the money that</p> <p>4 you and Ms. Brown gave to Mr. Steele?</p> <p>5 A No, I don't believe so.</p> <p>6 Q So when is it that you believe the money was given</p> <p>7 to Mr. Steele?</p> <p>8 A In mid-2014.</p> <p>9 Q In mid-2014?</p> <p>10 A Yes.</p> <p>11 Q And other than the date, is her testimony accurate</p> <p>12 about the discussion that you and she had about that</p> <p>13 before the money was given to him?</p> <p>14 A My recollection of that was I had asked her, is</p> <p>15 there any way we can put money towards this</p> <p>16 sanction. And it was at a point where the judge was</p> <p>17 threatening I don't know if it was \$5,000 a day, but</p> <p>18 a monetary sanction every single day it didn't get</p> <p>19 paid. And she had previously said, no, I'm not</p> <p>20 going to allow you to use any of that money; you can</p> <p>21 figure out your own way to do it, if it means having</p> <p>22 to file for bankruptcy or doing whatever.</p> <p>23 And we had a talk and we finally -- She</p> <p>24 finally allowed me to use 60,000 of it to at least</p> <p>25 offset some of the amount that John ended up paying.</p>	<p style="text-align: right;">16</p> <p>1 Q Okay. What you're referring to there, in this</p> <p>2 section, where you say, John Steele has provided an</p> <p>3 appellate bond to fully secure the amount on appeal,</p> <p>4 is that the original bond that you're talking about?</p> <p>5 A The bond I'm referring to in this testimony is the</p> <p>6 amount that's referred to at Docket 216 of the</p> <p>7 Lightspeed case.</p> <p>8 Q Okay. So what you're referring to there, in that</p> <p>9 testimony, is, like you say, at Item 216, that's</p> <p>10 August 10 of 2015?</p> <p>11 A Yes.</p> <p>12 Q All right. So to come back to the other, was it</p> <p>13 exactly \$60,000 that was paid to Mr. Steele?</p> <p>14 A I think that's my wife's estimate. I don't recall</p> <p>15 if it was 60 or if it was 50. It was somewhere in</p> <p>16 that neighborhood.</p> <p>17 Q Okay. Did you and she, Ms. Brown, count out the</p> <p>18 money before you gave it to Mr. Steele?</p> <p>19 A She would have counted it out and given it to</p> <p>20 Mr. Steele.</p> <p>21 Q And she got it out of that box in the closet where</p> <p>22 the original 180,000 in cash or so was?</p> <p>23 A Right.</p> <p>24 Q Okay. And let's back up a little bit. She withdrew</p> <p>25 150,000 in cash from TCF Bank after you wired</p>

<p>17</p> <p>1 175,000 into an account held in her name, correct?</p> <p>2 A If that's her testimony. I did not participate in</p> <p>3 the transaction.</p> <p>4 Q But you knew that she was withdrawing 150,000 in</p> <p>5 cash, correct?</p> <p>6 A I was aware that she was withdrawing cash. I wasn't</p> <p>7 aware of the precise amounts.</p> <p>8 Q You knew it was a large amount of money?</p> <p>9 A Yes.</p> <p>10 Q Okay. And then you knew that after you made the</p> <p>11 \$70,000 transfer to her, you knew that she was</p> <p>12 withdrawing a good amount of that in cash, as well,</p> <p>13 correct?</p> <p>14 A I don't recall the specifics of that. I know she</p> <p>15 did the initial large withdrawal. And from that</p> <p>16 point on -- I know she was -- Her intention was to</p> <p>17 get it into cash, yes.</p> <p>18 Q Okay. Did you help her count the \$150,000 cash</p> <p>19 withdrawal?</p> <p>20 A No.</p> <p>21 Q But you knew it was in a box, stored in a box in</p> <p>22 your house after she withdraw it, correct?</p> <p>23 A Yes.</p> <p>24 Q Did you ever take any money out of that box?</p> <p>25 A No.</p>	<p>19</p> <p>1 which is April 8 of 2014, you see that it says,</p> <p>2 supersedeas bond in the amount of \$287,300 posted by</p> <p>3 John Steele.</p> <p>4 Do you see that?</p> <p>5 A Yes.</p> <p>6 Q And is it your testimony that the 60,000 or whatever</p> <p>7 the exact amount of cash was that you and Ms. Brown</p> <p>8 gave to John Steele went to that bond?</p> <p>9 A Yeah, to offset what he had to post, yes.</p> <p>10 Q So how long before April 8, 2014 did you and</p> <p>11 Ms. Brown give him this cash?</p> <p>12 A It was either -- Well, it would have been</p> <p>13 immediately before or slightly after.</p> <p>14 Q Okay. So in April of 2014?</p> <p>15 A I don't recall if it was in April or if it was in</p> <p>16 May or...</p> <p>17 Q Or February or January?</p> <p>18 A It was either -- It was around the time. I don't</p> <p>19 recall specifically when it was.</p> <p>20 Q And you agree with your -- With Ms. Brown's</p> <p>21 testimony that Mr. Steele was in town and the money</p> <p>22 was given to him in cash?</p> <p>23 A Yeah. He was visiting in town and -- Yes.</p> <p>24 Q All right. So back to Ms. May's email that's</p> <p>25 talking about the \$65,000 bond that will come to the</p>
<p>18</p> <p>1 Q Did you ever look in that box?</p> <p>2 A No.</p> <p>3 Q So you certainly knew by early 2014 that all that</p> <p>4 money had been taken out in cash, didn't you?</p> <p>5 A I can't say I would have specifically known. I know</p> <p>6 that she was -- Her intention was to reduce it to</p> <p>7 cash.</p> <p>8 Q Well, you certainly knew by the time that you and</p> <p>9 she paid the 60,000, or whatever it was, to</p> <p>10 Mr. Steele, correct?</p> <p>11 A No, because if you have 150, the initial withdrawal,</p> <p>12 I knew she was taking out a large amount. That</p> <p>13 certainly would have covered the 60.</p> <p>14 Q Okay. So you knew by the time you gave the money to</p> <p>15 Mr. Steele, you knew there was at least 150,000 in</p> <p>16 cash, right?</p> <p>17 A Well, I knew there was at least 60,000 in it cash or</p> <p>18 50,000, whatever amount was given to him.</p> <p>19 Q And you knew the source of that funds was one of the</p> <p>20 two large wire transfers that you had sent to her</p> <p>21 TCF account, didn't you?</p> <p>22 A That would be fair to say, yes.</p> <p>23 Q Okay. And from that docket that you still have in</p> <p>24 front of you, I'm just trying to find when the</p> <p>25 original bond was posted. If you turn to Item 149,</p>	<p>20</p> <p>1 estate, as I understand what you're saying here</p> <p>2 today, that has to do with the Docket Entry 216?</p> <p>3 A Yes.</p> <p>4 Q All right. And you agree that's estate property as</p> <p>5 well; you agree with her email?</p> <p>6 A What I understand is that we would not object to</p> <p>7 that money being turned over to the estate.</p> <p>8 Q And what's the source of that money?</p> <p>9 A The source of the money is John Steele's funds being</p> <p>10 transferred to the court administrator for the</p> <p>11 Southern District of Illinois.</p> <p>12 Q And those are all John Steele's money; it doesn't</p> <p>13 include any money from you or Ms. Brown?</p> <p>14 A That's correct. It's money from John Steele's bank</p> <p>15 account to the Court.</p> <p>16 Q Right. Did you or Ms. Brown give Mr. Steele any</p> <p>17 money to put into that bank account that constituted</p> <p>18 that payment to the Court in August of 2015?</p> <p>19 A The major transfer I made to John Steele was the</p> <p>20 cash in approximately 2014. So I don't know if it's</p> <p>21 the Trustee's position that that's somehow my money</p> <p>22 that John Steele put in there or not, but we did not</p> <p>23 cut him a check, for example, immediately before him</p> <p>24 posting the bond with the Southern District of</p> <p>25 Illinois.</p>

<p>21</p> <p>1 Q Let's go back to my question, though. Other than 2 the 60,000 or so that you and Ms. Brown gave to him 3 in 2014, around April, as I understand it, did you 4 give any money, transfer any money, cause any money 5 to be transferred to Mr. Steele after April of 2014? 6 A If I did, it was smaller amounts. It wasn't a large 7 amount. 8 Q What does that mean, smaller amounts? Less than 9 \$5,000 a transfer? 10 A Most likely. I mean, it would not have been a 11 series of transfers. It may have been a one-off 12 expense. For example, I don't recall when we had -- 13 We had some appellate fees at the time. And so, for 14 example, if he would have paid the appellate fees, I 15 would have paid half of it. 16 Q All right. So as I understand your testimony, the 17 \$65,000 posted with the Court in August of 2015 was 18 all Mr. Steele's money? 19 A It came from Mr. Steele's bank account, yes. 20 Q And you know that for sure? 21 A Actually, I should qualify that. I don't know if he 22 had to borrow some money from a family member to 23 post it, but I believe that it came from his bank 24 account. 25 Q So then what you're telling me is that you believe</p>	<p>23</p> <p>1 focusing now on page 66 to 67, you read through 2 that, I know, earlier. And this testimony has to do 3 with cash at the time of the bankruptcy filing. And 4 in summation, what she testified was that you and 5 she sat down and counted the cash that was there at 6 the time of your bankruptcy filing. Is that true? 7 A That's true. The amount that we counted up was the 8 amount that I put in my schedules. 9 Q Well, her testimony is that there -- So was her 10 testimony not true when she's talking about the 11 process? 12 A Well, I can tell you what happened and then you can 13 make the decision for yourself if it's consistent or 14 not consistent with her testimony. What happened is 15 I said, what money is in the trust; we need to 16 disclose that money on the bankruptcy schedule. 17 Q Wait a minute. When you say in the trust, you mean 18 in a box sitting in your condominium? 19 A The trust. 20 Q It's cash sitting in a box in your condominium. 21 What trust is it in? 22 A The Mill Trust. 23 Q So it's your testimony, as an attorney, that cash 24 sitting in a box in your condominium was in the Mill 25 Trust?</p>
<p>22</p> <p>1 the estate is entitled to this money that Mr. Steele 2 put up? 3 A My position is I would have no objection to it being 4 turned over to the estate. I understand that 5 Mr. Steele may have a different position, but my 6 position is that if the estate sought turnover of 7 those funds, I would have no basis for objecting to 8 it. 9 Q By what point in time did you know that there was at 10 least \$150,000 in cash in your house, in the 11 condominium? 12 A I guess my testimony would be my wife handled all of 13 the cash and all of those positions. I did not 14 inquire into where she was keeping the money. I 15 understood that there was at least some cash in the 16 box. I don't know if she had other places where she 17 stored the money, but the point is that she 18 controlled that. I did not have knowledge about 19 those. 20 Q Well, by April of 2014, at least, you knew that 21 there was in excess of \$60,000 of cash in your 22 condominium? 23 A I knew there was at least the amount that John 24 Steele received. 25 Q All right. Going back to Ms. Brown's testimony and</p>	<p>24</p> <p>1 A Legally speaking, yes. 2 Q Okay. So go ahead and finish telling me what it was 3 you did. 4 A I asked her what money is left in the trust because 5 we need to disclose that on the bankruptcy filing. 6 She said, that's not your money. And I said, well, 7 we're going to disclose it out of an abundance of 8 caution to ensure that we're being as -- We're 9 disclosing everything possible; and if you want to 10 have a fight over that, you can have a fight over 11 that at the appropriate time. So I said, get 12 whatever money is left in there, let's count it up 13 and we can disclose it on the schedules. She came 14 back and she had whatever amount it was that I 15 disclosed on the schedules. 16 Q So her testimony would indicate that you folks 17 counted up the money that was there and then 18 deducted from that total amount money that she was 19 going to keep to pay some bills. You see that, 20 right? 21 A I don't agree that that's a correct characterization 22 of her testimony. What her testimony is, is that 23 she had the 20,900; but when she brought the money 24 out, she had the amount that we disclosed on the 25 schedules.</p>

<p style="text-align: right;">25</p> <p>1 Q Where does she say that, sir? Would you just point 2 that out to me?</p> <p>3 MS. MAY: Line 18, 66.</p> <p>4 MR. SEAVER: Line 18 on page --</p> <p>5 MS. MAY: That's where she's talking 6 about 29,900, it looks like. Is that where we're 7 coming up with the 29,900 hundred?</p> <p>8 THE WITNESS: Yep.</p> <p>9 BY MR. SEAVER:</p> <p>10 Q So then I go on to say, I'm on page 67, line 4, so 11 you and Mr. Hansmeier sat down and counted out how 12 much money was left there, correct? And she says, 13 yes. I say, okay. She says, pretty close; I mean, 14 there was probably some ones and stuff lying around. 15 And I say, what did you come up with for a total? 16 She says, I don't remember exactly how much it was. 17 I say, okay, then you and he talked and decided 18 rather than stating how much cash was actually 19 there, you would deduct for cash for things that you 20 were going to pay in the future? And then she says, 21 for things that had already been purchased on my 22 credit cards and that needed to be paid off, they 23 had already -- I had already essentially bought 24 them; we had the things.</p> <p>25 So just so I'm clear on what you're</p>	<p style="text-align: right;">27</p> <p>1 account at some point of that amount.</p> <p>2 Q But you didn't even get a receipt from him when you 3 gave him the \$60,000 or so?</p> <p>4 A We did not create a receipt and fill it out, no.</p> <p>5 Q I'm going to move on to the accounts receivable now, 6 and I'm just putting in front of you some documents. 7 I think they were on the drop box. I think these 8 relate to accounts receivable, right?</p> <p>9 A That's correct.</p> <p>10 Q All right. And is it accurate to say that -- Well, 11 let me just identify them. There's a transfer into 12 your law firm account on July 30, 2015 of 13 \$36,833.34, correct?</p> <p>14 A Could you repeat that, please?</p> <p>15 Q Oh, sure. There's a transfer on July 30th of 2015 16 for \$36,833.34, correct?</p> <p>17 A Yes, there's a transfer of that amount.</p> <p>18 Q And then the next page of this there's a transfer on 19 August 31st of 2015 for \$17,500, correct?</p> <p>20 A Correct.</p> <p>21 Q The next page of this there's a transfer on 22 September 30 of 2015 for \$28,344, correct?</p> <p>23 A That's correct.</p> <p>24 Q And then the last two pages there's a deposit slip 25 showing a \$1,000 deposit, correct?</p>
<p style="text-align: right;">26</p> <p>1 saying here, sir, you didn't have a clue that there 2 was more than \$8,554 in cash in that condominium on 3 the date that you filed bankruptcy?</p> <p>4 A That's correct. I had no idea what the balance of 5 the cash was, other than I asked her to give us 6 whatever cash is in there so we can simply disclose 7 it on the schedules.</p> <p>8 Q And I sent a letter to Ms. May on February 4th and 9 asked for all documents and receipts evidencing what 10 was done with the \$150,000 in cash that was taken 11 out of that TCF account. You haven't given me 12 anything for that, have you?</p> <p>13 A I believe you've been provided documents related to 14 my wife's bank accounts, and you've also received 15 the Scott Trade wire transfer from the Scott Trade 16 account to my wife's personal TCF account.</p> <p>17 Q I haven't gotten any receipt for that 50 or 60,000, 18 however much money it was that you folks say that 19 you gave to the other attorney. Is there such a 20 thing?</p> <p>21 A I don't believe we have a receipt, but we have my 22 wife's testimony of what happened, we have my 23 testimony of what happened and I'm sure Mr. Steele's 24 testimony would be consistent with that, as well, 25 plus the deposit I'm sure he made into a bank</p>	<p style="text-align: right;">28</p> <p>1 A Correct.</p> <p>2 Q And these documents that I've just referred to, do 3 they accurately reflect the accounts receivable -- 4 The collection of accounts receivable that existed 5 at the time your Chapter 13 was commenced?</p> <p>6 A Yes.</p> <p>7 Q All right. And if you total these up, they total 8 something in excess of \$83,000, correct?</p> <p>9 A That sounds correct.</p> <p>10 Q So your schedule said 72,000, but that was low, 11 correct?</p> <p>12 A No.</p> <p>13 Q How is that, sir?</p> <p>14 A Well, because these are the transfers that are paid 15 down on the accounts receivables. The last transfer 16 included paydown of a receivable that was in excess 17 of the original amount. So some of it is going 18 towards paying down receivables, some of it is money 19 that was not related to anything that was in the 20 estate as of the time of filing.</p> <p>21 Q But yet this is all you've given me in response to 22 my repeated requests for account receivable 23 information, isn't it, other than those four line 24 items? And now you're telling me this doesn't 25 accurately represent accounts receivable payments?</p>

<p>29</p> <p>1 A It does accurately reflect account receivable</p> <p>2 payments. The point I'm trying to make is that on</p> <p>3 the final payment, that's an amount of roughly</p> <p>4 \$28,344, this is the transfer that paid down the</p> <p>5 remaining balance of the account receivables. Some</p> <p>6 of it does not go towards account receivables; it</p> <p>7 goes towards account receivables that generated</p> <p>8 after the Chapter 13 filing.</p> <p>9 Q All right. What I have been requesting for some</p> <p>10 time is some accounting for those pre-petition --</p> <p>11 For the accounts receivable that existed at the time</p> <p>12 of filing, and what you're telling me is I still</p> <p>13 don't have it. I can't possibly tell from these</p> <p>14 documents, in that last statement you were just</p> <p>15 talking about, what account -- What of those are</p> <p>16 account receivables at the time of filing, can I?</p> <p>17 Well, here, let me say it once more: I want the</p> <p>18 records showing the post-petition collection of the</p> <p>19 accounts receivable that existed at the time of</p> <p>20 filing and I want to be able to see where those are</p> <p>21 coming from, all right?</p> <p>22 A I believe you have these, but I will ask my attorney</p> <p>23 to work with you to make sure you're getting what</p> <p>24 you're requesting. I think this is what you're</p> <p>25 requesting. You're telling me it's not, but I'll be</p>	<p>31</p> <p>1 other business, to pay off -- To pay business</p> <p>2 expenses and continue operating the business.</p> <p>3 Q It just never occurred to you that perhaps you</p> <p>4 should turn it over to the Chapter 13 Trustee?</p> <p>5 A Again, I used the accounts receivable money to</p> <p>6 operate my business in the ordinary course.</p> <p>7 Q It just never -- Just answer my question, though, if</p> <p>8 you would: Did it ever occur to you that you should</p> <p>9 turn that money over to the Chapter 13 Trustee?</p> <p>10 A I guess my answer continues to be it occurred to me</p> <p>11 to continue operating my business in the ordinary</p> <p>12 course. And my understanding is that that was -- It</p> <p>13 was fine to operate my business in the ordinary</p> <p>14 course.</p> <p>15 Q Is your understanding that you were free to use</p> <p>16 those pre-petition assets in any way you deemed</p> <p>17 appropriate?</p> <p>18 A Nope.</p> <p>19 Q Here, let me put in front of you an affidavit that</p> <p>20 you signed, sir. And this is an affidavit, Paul</p> <p>21 Hansmeier. And if you go to the very last page,</p> <p>22 it's dated February 16, 2016. Do you see that?</p> <p>23 A I do.</p> <p>24 Q And that's your signature, right?</p> <p>25 A It is.</p>
<p>30</p> <p>1 happy to try and provide them.</p> <p>2 Q All right. So on the first page of this, this</p> <p>3 \$36,833.34, that's all pre-petition accounts</p> <p>4 receivable, right?</p> <p>5 A It would be, yes.</p> <p>6 Q Okay. And you got that 17 days after your</p> <p>7 bankruptcy filing, correct?</p> <p>8 A If that's the math, yes.</p> <p>9 Q Well, you filed on July 13th, right?</p> <p>10 A I believe that's correct.</p> <p>11 Q So when you got in this \$36,833.34 that you knew was</p> <p>12 estate property, why didn't you just turn that money</p> <p>13 over to the Chapter 13 Trustee?</p> <p>14 A I'm not sure why I would have turned that money over</p> <p>15 to the Chapter 13 Trustee.</p> <p>16 Q Well, you scheduled it as an asset of the estate,</p> <p>17 didn't you?</p> <p>18 A Yes, but my understanding of using assets in the</p> <p>19 course of bankruptcy is that if you are operating a</p> <p>20 business, for example, in the ordinary course, which</p> <p>21 I was, the money would have gone to pay employees,</p> <p>22 pay rent, pay basic office overhead.</p> <p>23 Q So to come back to my question, so why didn't you</p> <p>24 turn it over to the Chapter 13 Trustee?</p> <p>25 A The accounts receivable were processed just as any</p>	<p>32</p> <p>1 Q And the second sentence or the third -- Or the</p> <p>2 second sentence up from the bottom says, the</p> <p>3 accounts receivables were used to run my law</p> <p>4 practice and to fund my Chapter 13 plan, correct?</p> <p>5 A That's what the sentence says, yes.</p> <p>6 Q So those receivables that existed at the time of</p> <p>7 filing that you collected after the bankruptcy</p> <p>8 filing were used to fund your Chapter 13 plan?</p> <p>9 A The receivables would have been used to --</p> <p>10 Q Just answer my question, if you would, sir. Well,</p> <p>11 let me ask you a different one: Is this affidavit</p> <p>12 true?</p> <p>13 A Yes.</p> <p>14 Q Okay. So it is true that the pre-petition accounts</p> <p>15 receivable were used to fund your Chapter 13 plan;</p> <p>16 is that true?</p> <p>17 A If I may answer the question.</p> <p>18 Q Is that true? Is it true? It's a yes-or-no</p> <p>19 question. Is this affidavit, what I read, is it</p> <p>20 true or false?</p> <p>21 A The affidavit is true.</p> <p>22 Q Okay. So why, when we asked Ms. May to turn over</p> <p>23 those funds that she's holding from the Chapter 13</p> <p>24 Trustee, was that request refused?</p> <p>25 A It's my position that those are not assets of the</p>

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1 Chapter 7 estate.

2 Q Regardless of the fact that you have represented to

3 the Bankruptcy Appellate Panel that the pre-petition

4 receivables were used to fund the plan, you're

5 saying here, under oath, that they're not property

6 of the Chapter 7 estate?

7 A My legal position is those funds --

8 Q Is that what you're saying?

9 A My legal position is that those funds are not

10 property of the converted Chapter 7 estate.

11 Q And why is that, sir, if they were accounts

12 receivable that existed at the time the case was

13 filed?

14 A I believe the Supreme Court's decision in -- I can't

15 remember the name of the case --

16 MS. MAY: Harris.

17 THE WITNESS: Harris -- states that

18 post-petition wages are not properly part of the

19 converted Chapter 7 estate.

20 BY MR. SEAVER:

21 Q So you're saying when you took those accounts

22 receivable that existed at the time of filing and

23 ran them through your law firm, you somehow

24 transformed them into assets that are no longer

25 property of the bankruptcy estate; is that it?

34

1 A That's my legal position, that these funds are not

2 property of the converted Chapter 7 estate.

3 Q For the reason I just said; is that true?

4 A Well, I don't think it's very fair to go through a

5 fully developed legal argument. I believe this is

6 something we can brief and present to the Court and

7 receive a decision.

8 Q Yeah, but I want your factual position here, sir.

9 Because you've made a representation to the

10 Bankruptcy Appellate Panel that the pre-petition

11 funds were used to fund your Chapter 13 plan, but

12 yet you won't turn the money over to me and I'm

13 entitled to know why that is.

14 A It's a legal position. And we can certainly brief

15 it before the Court and have the Court make a

16 determination whether my legal position is sound or

17 whether your legal position is sound.

18 Q Well, let me just tell you that it's going to come

19 on very quickly. The issue is going to be brought

20 to the Court very quickly.

21 So is it your view, sir, that you don't

22 have to pay the Chapter 7 -- You don't have to pay

23 any of the \$72,000 in accounts receivable that

24 existed at the time of filing; there's no reason for

25 you to ever pay any of that money to the Chapter 7

35

1 estate?

2 A I believe the accounts receivable --

3 Q Is that your position, sir?

4 A If you may allow me to talk through my position so I

5 can provide an answer to your question, is that

6 okay?

7 Q Go ahead.

8 A It's my understanding that the accounts receivable

9 were used in the ordinary course of operating a

10 business, just as they had been used prior to filing

11 and post-filing. And due to their use in the

12 ordinary course of business, I don't believe they

13 are part of the converted Chapter 7 estate.

14 Q Okay. So when your Chapter 13 was filed, there was

15 \$72,000 sitting right there that would have been

16 available to creditors, right?

17 A There was \$72,000 in accounts receivables. The

18 creditors, I don't think, could have done much with

19 them.

20 Q Well, you collected them all by August, right?

21 A Yes. The accounts receivables were -- Well, not by

22 August. Whatever the last date of the -- September

23 I guess --

24 Q Okay.

25 A -- end of September.

36

1 Q Right. So by the end of September, that whole

2 \$72,000 had come in. And if you'd been in a

3 Chapter 7, it would have been paid to creditors.

4 A If it was in a Chapter 7 at the time of the filing,

5 then, yes, I believe the creditors would have -- I

6 assume the Trustee would have taken an action to

7 liquidate those accounts receivables and pay them

8 off to the estate.

9 Q And now they're just gone, in your view?

10 A In the ordinary course of operating the law firm,

11 the accounts receivables were collected and they

12 were used to pay off ordinary business expenses.

13 Q And in your view, the Chapter 7 Trustee just has no

14 ability to get that \$72,000 back?

15 A Yes. I think that's one of the consequences of

16 converting an estate. I think the law is pretty

17 clear that if you convert an estate and there was

18 assets that were used between the time of the

19 original filing and the time of conversion, that the

20 estate gets everything that was there at the time of

21 filing with the exception of assets that were used

22 in the ordinary course.

23 MR. SEAVER: Mr. Kreuziger, I'm just

24 about done here. Do you have anything?

25 MR. KREUZIGER: I do have just a few

<p>1 questions.</p> <p>2</p> <p>3 EXAMINATION</p> <p>4 BY MR. KREUZIGER:</p> <p>5 Q Mr. Hansmeier, my name is Colin Kreuziger. I'm with</p> <p>6 the United States Department of Justice and I</p> <p>7 represent the U.S. Trustee.</p> <p>8 Following up on Mr. Seaver's questions</p> <p>9 about the accounts receivable, do you have any</p> <p>10 records that would substantiate your claim that you</p> <p>11 used those accounts receivable that you collected to</p> <p>12 pay business expenses?</p> <p>13 A Yes. I believe the operating accounts of the law</p> <p>14 firm, which I believe are in Mr. Seaver's</p> <p>15 possession, would show how the funds were used.</p> <p>16 Q Do you have any other records that your law firm</p> <p>17 keeps that would show the use of those funds to pay</p> <p>18 the business expenses?</p> <p>19 A For example, ADP, the payroll processor, would show</p> <p>20 funds being used, paying employees, for example.</p> <p>21 Q Does your law firm keep any kind of ledger?</p> <p>22 A I don't believe we do, but that's something I could</p> <p>23 double check on.</p> <p>24 Q Can you provide any ledger or similar document to</p> <p>25 me?</p>	<p>1 to me and then I used my post-petition wages to make</p> <p>2 Chapter 13 payments.</p> <p>3 Q Okay. And do you have documentation of -- Well,</p> <p>4 strike that question.</p> <p>5 When the funds were delivered to you as</p> <p>6 post-petition wages, how did they come to you?</p> <p>7 A They would have gone from my business account to my</p> <p>8 joint checking account.</p> <p>9 Q Okay. And have you provided bank statements to</p> <p>10 Mr. Seaver that would evidence that?</p> <p>11 A I believe we have.</p> <p>12 MR. SEEVER: There aren't any payroll</p> <p>13 checks, are there, sir? There are just checks in</p> <p>14 even amounts written by you to you drawn on the</p> <p>15 Class Justice account?</p> <p>16 THE WITNESS: I would have withdrawn them</p> <p>17 by checks, yes.</p> <p>18 MR. SEEVER: So there's no withholding on</p> <p>19 any of those. They're just checks that you wrote on</p> <p>20 the Class Justice account, Paul Hansmeier, and then</p> <p>21 you deposited into your account, right?</p> <p>22 THE WITNESS: I don't believe there's</p> <p>23 withholding on those. They were checks that I wrote</p> <p>24 from my business account to myself and then</p> <p>25 deposited them into the joint checking account with</p>
<p>1 A Yeah. If I -- I'll go back and see if we have a</p> <p>2 ledger. And if I have a ledger, I'll -- Do you have</p> <p>3 access to the drop box?</p> <p>4 Q I don't, but I'm sure that Mr. Seaver could provide</p> <p>5 it.</p> <p>6 MR. SEEVER: Sure.</p> <p>7 MR. KREUZIGER: Mr. Seaver, do you have</p> <p>8 the operating accounts for the law firm, as Mr.</p> <p>9 Hansmeier has indicated?</p> <p>10 MR. SEEVER: You know, I don't remember</p> <p>11 right offhand, Mr. Kreuziger, if they're in the drop</p> <p>12 box or not. There are some bank statements there</p> <p>13 for sure, but I don't know if -- Are there operating</p> <p>14 accounts, sir, I mean, as opposed to just bank</p> <p>15 account statements?</p> <p>16 THE WITNESS: When I say operating, I'm</p> <p>17 just distinguishing between like the IOLTA Trust</p> <p>18 account and the operating account, so it would be</p> <p>19 the bank account.</p> <p>20 BY MR. KREUZIGER:</p> <p>21 Q So you also testified that some of the funds that</p> <p>22 were collected that are attributed to these accounts</p> <p>23 receivable were used to make Chapter 13 plan</p> <p>24 payments, correct?</p> <p>25 A They were -- They were paid as post-petition wages</p>	<p>1 my wife.</p> <p>2</p> <p>3 BY MR. KREUZIGER:</p> <p>4 Q Which checking account is that; what bank is that</p> <p>5 held on?</p> <p>6 A It's Associated Bank.</p> <p>7 Q Now, you had testified about various bonds in the</p> <p>8 Lightspeed case earlier and I just wanted to clarify</p> <p>9 a few matters there. With respect to the \$60,000</p> <p>10 that was paid to Mr. Steele --</p> <p>11 A Uh-huh.</p> <p>12 Q -- your testimony is that Ms. Brown gave those funds</p> <p>13 in cash to Mr. Steele, correct?</p> <p>14 A That's correct.</p> <p>15 Q And you believe that would have been approximately</p> <p>16 April of 2014?</p> <p>17 A Yes.</p> <p>18 Q And is it your testimony that those funds belonged</p> <p>19 to Ms. Brown at the time of that transfer?</p> <p>20 A My testimony is that they belonged to the Mill Trust</p> <p>21 at the time.</p> <p>22 Q And all the funds that went into the Mill Trust were</p> <p>23 your funds originally, correct?</p> <p>24 A I believe that's correct, yes.</p> <p>25 MR. SEEVER: The funds had been paid out</p>

<p style="text-align: right;">41</p> <p>1 of the Mill Trust to Ms. Brown's personal account,</p> <p>2 though, you know that, right?</p> <p>3 THE WITNESS: The custody of the funds</p> <p>4 was held in Ms. Brown's personal account, yes.</p> <p>5 MR. SEAYER: Right. The funds were</p> <p>6 transferred into her personal account, she took it</p> <p>7 out in cash?</p> <p>8 THE WITNESS: Yes. She had custody of</p> <p>9 the funds, that's correct, as the Trustee for the</p> <p>10 Mill Trust.</p> <p>11 MR. SEAYER: The account that you had</p> <p>12 those funds transferred into, sir, does it say that</p> <p>13 it's an account held as trustee for the Mill Trust?</p> <p>14 THE WITNESS: Does Ms. Brown's personal</p> <p>15 account say?</p> <p>16 MR. SEAYER: The personal account of</p> <p>17 Ms. Brown that you had those funds transferred into,</p> <p>18 does it say it's an account held in her capacity as</p> <p>19 trustee of the Mill's Trust?</p> <p>20 THE WITNESS: I don't know. I've never</p> <p>21 reviewed the account document she has.</p> <p>22 MR. SEAYER: You don't know; is that your</p> <p>23 testimony?</p> <p>24 THE WITNESS: My testimony is I've never</p> <p>25 reviewed the account documents associated with my</p>	<p style="text-align: right;">43</p> <p>1 Mr. Steele in cash was then used by Mr. Steele to</p> <p>2 post an earlier bond in the same case; is that</p> <p>3 right?</p> <p>4 A That's my understanding of how he used those funds.</p> <p>5 When we gave him the funds, he was going to</p> <p>6 contribute it towards the approximately \$260,000</p> <p>7 bond that was posted with the Court. I can't --</p> <p>8 Obviously I can't tell you what Mr. Steele</p> <p>9 physically did with it after he took possession of</p> <p>10 the cash and whether any of those funds that he</p> <p>11 received would in some manner be traceable to the</p> <p>12 amount he posted with the Court. That's my only</p> <p>13 point I'm trying to make.</p> <p>14 Q So what you're saying, then, is that it's possible</p> <p>15 that the \$60,000 in cash perhaps wasn't used for the</p> <p>16 earlier bond because you don't know --</p> <p>17 MS. MAY: Only Mr. Steele would know</p> <p>18 that.</p> <p>19 THE WITNESS: That's my testimony. Only</p> <p>20 Mr. Steele would know how he used the money.</p> <p>21 BY MR. KREUZIGER:</p> <p>22 Q Okay. So you can't really say, sitting here today,</p> <p>23 whether or not any of the funds that Mr. Steele</p> <p>24 posted in August of 2015 for that bond are</p> <p>25 attributable to you, to the Mill Trust, to your wife</p>
<p style="text-align: right;">42</p> <p>1 wife's account at TCF Bank.</p> <p>2 MR. SEAYER: Go ahead, Mr. Kreuziger.</p> <p>3 MR. KREUZIGER: Thank you, Mr. Seaver.</p> <p>4 BY MR. KREUZIGER:</p> <p>5 Q With respect to -- I believe it's a \$65,000 bond</p> <p>6 that was posted in August of 2015?</p> <p>7 A Yes.</p> <p>8 Q Okay. So with respect to that bond, it's your</p> <p>9 testimony that none of the funds that were used to</p> <p>10 post that bond were your funds, correct?</p> <p>11 A Mr. Steele posted the bond, yes.</p> <p>12 Q Well, that's not my question. My question is, is</p> <p>13 were any of the funds that were used to post the</p> <p>14 bond your funds?</p> <p>15 A I don't claim ownership to any of those funds.</p> <p>16 Q Okay. Did any of the funds that Mr. Steele used to</p> <p>17 post that bond originate with the Mill Trust?</p> <p>18 A This is the point I was trying to make to Mr. Seaver</p> <p>19 before: I obviously transferred cash to him in the</p> <p>20 amount of about 50 to \$60,000 sometime in 2014. I</p> <p>21 don't know if any of that is traceable to the money</p> <p>22 that he deposited with the Court for the bond, for</p> <p>23 the \$65,000 August 2015 bond.</p> <p>24 Q The way I understood your earlier testimony was that</p> <p>25 the roughly \$60,000 that Ms. Brown gave to</p>	<p style="text-align: right;">44</p> <p>1 or to Monyet, LLC; is that right?</p> <p>2 A I think that's a fair statement because I don't know</p> <p>3 how he used the funds that he received and whether</p> <p>4 any of those funds are traceable to the amount</p> <p>5 that's on deposit with the Court right now.</p> <p>6 Q Okay. But to your knowledge, after -- This is a</p> <p>7 question about your knowledge: After the \$60,000</p> <p>8 was given by Ms. Brown to Mr. Steele in cash, to</p> <p>9 your knowledge neither you nor Ms. Brown gave</p> <p>10 Mr. Steele any other money; is that right?</p> <p>11 A No. I believe what my testimony was before was that</p> <p>12 there may have been modest expenditures that came up</p> <p>13 in connection with, for example, appellate costs or</p> <p>14 something along those lines. So I may have paid</p> <p>15 half of something to him at a certain point in time,</p> <p>16 but nothing -- Not a major transfer like a \$60,000</p> <p>17 transfer.</p> <p>18 Q So any of those transfers would be directly</p> <p>19 attributable to reimbursing him for the costs of</p> <p>20 pursuing the appeal; is that right?</p> <p>21 A Or something similar to that, yes.</p> <p>22 Q Well, what else would be similar to that?</p> <p>23 A Well, I believe we paid some money to -- I guess I</p> <p>24 can't think of anything in specific. I know</p> <p>25 appellate costs are one thing that comes up, but I</p>

<p>45</p> <p>1 can't think of any other specifically.</p> <p>2 Q Okay. With respect to the Groupon case that you</p> <p>3 testified about at the beginning of the meeting</p> <p>4 today, my understanding is that the request for</p> <p>5 attorney's fees is a request for approximately</p> <p>6 \$200,000?</p> <p>7 A That's correct.</p> <p>8 Q Who does Ms. Brown owe the \$200,000 to?</p> <p>9 A It's my understanding that first she'll get the</p> <p>10 money and the money is taxable, so she owes some to</p> <p>11 the federal government to pay off taxes on it. And</p> <p>12 then a significant portion, if not the remaining</p> <p>13 portion, would go to an attorney Nathan Worzel, who</p> <p>14 prosecuted the appeal on her behalf before the Ninth</p> <p>15 Circuit.</p> <p>16 Q Okay. Who is Nathan Worzel?</p> <p>17 A He's an attorney.</p> <p>18 Q Do you know him personally?</p> <p>19 A I do.</p> <p>20 Q And has he ever been an attorney in any firm that</p> <p>21 you've operated?</p> <p>22 A He's been employed by me in the past.</p> <p>23 Q Now, you said that she would owe the federal</p> <p>24 government money, but aren't you asking for, on her</p> <p>25 behalf, aren't you asking for \$200,000 in attorney's</p>	<p>47</p> <p>1 A It's based off the common fund. Oftentimes the</p> <p>2 Court will perform a cross-check to see if this is</p> <p>3 reasonable, given the amount of time expended to do</p> <p>4 a particular action. In here the cross-check is the</p> <p>5 reference to the plaintiff's attorneys' billings,</p> <p>6 which, for their appeal, I believe it exceeded over</p> <p>7 a million dollars to do not just the appeal, but all</p> <p>8 of the post-original settlement filing work.</p> <p>9 Q So would it be accurate to say, then, that you don't</p> <p>10 really know how much she owes in attorney's fees?</p> <p>11 A Do I personally know? No.</p> <p>12 Q Okay. And you haven't seen any records that would</p> <p>13 tell you that?</p> <p>14 A That's correct.</p> <p>15 Q Okay.</p> <p>16 MR. KREUZIGER: I have nothing further,</p> <p>17 Mr. Seaver.</p> <p>18 MR. SEAVER: And I don't think that I do.</p> <p>19 But, once again, on these accounts receivable, what</p> <p>20 I have been asking for and I thought I was clear on,</p> <p>21 I want to be able to track those accounts</p> <p>22 receivable. I want to see when they were paid, when</p> <p>23 they came in, I want to see the existence of them at</p> <p>24 the time of filing. And all I've gotten are those</p> <p>25 first thing, the four line items, and then these</p>
<p>46</p> <p>1 fees?</p> <p>2 A Yes.</p> <p>3 Q So is it your testimony that she owes Mr. Worzel</p> <p>4 \$200,000 in attorney's fees?</p> <p>5 A I don't believe -- Whether she owes him that amount</p> <p>6 or not, I'm not sure of the exact number, but I do</p> <p>7 know that the theory behind the 10 percent -- I'm</p> <p>8 sorry -- Behind the request for \$200,000 is on a</p> <p>9 common fund basis, which means that it's not</p> <p>10 necessarily directly tied to the amount of fees</p> <p>11 she's incurred, although it has to bear some logical</p> <p>12 relationship. It's more about the benefit she</p> <p>13 provided to the class and taking a percentage of it</p> <p>14 than anything else.</p> <p>15 Q So she doesn't actually owe somebody \$200,000 in</p> <p>16 attorney's fees?</p> <p>17 A I guess you'd have to ask Ms. Brown. Just</p> <p>18 speculating at this point.</p> <p>19 Q Well, have you reviewed any invoices or billings</p> <p>20 that she's received from any attorneys in order to</p> <p>21 draft whatever you filed with the Court on her</p> <p>22 behalf?</p> <p>23 A No, I did not review billings or invoices.</p> <p>24 Q So the number is purely based off of this percentage</p> <p>25 recovery that you've described?</p>	<p>48</p> <p>1 documents that we looked at today. So that's what I</p> <p>2 want.</p> <p>3 MS. MAY: You were also talking about the</p> <p>4 bank account statements, personal and business. Can</p> <p>5 you give me better times and dates you want those</p> <p>6 for and then I can check the drop box and make sure</p> <p>7 you've got them?</p> <p>8 MR. SEAVER: Today I was talking about</p> <p>9 that, Ms. May?</p> <p>10 MS. MAY: Well, it was --</p> <p>11 MR. SEAVER: It was when Mr. Kreuziger</p> <p>12 and Mr. Hansmeier were talking?</p> <p>13 MR. KREUZIGER: Yeah. I mean, if there's</p> <p>14 anything you think I need, just let me know.</p> <p>15 MS. MAY: Yeah, let me know. Because the</p> <p>16 question was did the AR go into his account and can</p> <p>17 we track it from the business account to the</p> <p>18 personal account. You asked if he had gotten the</p> <p>19 bank statements and he said he put it in your drop</p> <p>20 box.</p> <p>21 MR. SEAVER: Okay.</p> <p>22 MR. KREUZIGER: I can get you a specific</p> <p>23 request.</p> <p>24 MS. MAY: If you would, thanks, Colin,</p> <p>25 because I can come up with those.</p>

1 MR. SEAVER: All right. So I'm going to
2 conclude the 341 meeting.
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1 STATE OF MINNESOTA)
2) ss.
3 COUNTY OF HENNEPIN)
4

5 REPORTER'S CERTIFICATE
6
7

8 I, Julie Rixe, do hereby
9 certify that the above and foregoing transcript of the
10 digitally-recorded proceeding, consisting of the
11 preceding 48 pages, is a full, true and complete
12 transcript of the digitally-recorded proceedings to the
13 best of my ability.

14 Dated February 29, 2016.
15
16
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19 JULIE RIXE
Court Reporter
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21
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25

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1 Q. It looks like the same day another \$20,000
2 business loan from Monyet to Class Justice?

3 A. Correct.

4 Q. So what's Class Justice doing with all the money
5 that it's getting from Monyet?

6 A. It spent it on business expenses.

7 Q. The next one is the big whopper, November 22,
8 2013, \$175,000 transfer from Monyet to your wife. Why
9 the big transfer?

10 A. She testified that --

11 Q. I want your testimony, I don't want her
12 testimony.

13 A. May I please answer?

14 Q. Yes.

15 A. She testified that the money was transferred for
16 household expenses and I agree with her testimony.

17 Q. What household expenses?

18 A. The same household expenses as we discussed
19 which include mortgage, or home expenses generally
20 speaking, food.

21 MS. MAY: What was the year of that
22 transfer?

23 MR. SHEU: November 22, 2013.

24 Q. Why \$175,000 transfer, why in one lump sum, what
25 expense was \$175,000?

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1 A. I don't believe there was an expense that was
2 \$175,000, but at this point in time I think the idea was
3 my income was very low and we could make several
4 independent wire transfers and pay a wire transfer fee
5 every time or we could do one, recognizing that my
6 income would likely be low for 2014 at that point.

7 Q. This is a couple months after the Guava v Merkel
8 judgment, right?

9 A. I don't recall when the Guava v Merkel judgment
10 was entered.

11 Q. This is September of 2013?

12 A. It was entered against Alpha Law Firm, that's
13 correct, and Michael Dugas and Guava, and I was
14 specifically excluded from that judgment, yes.

15 Q. Moving forward, there's a \$21,250 transfer to
16 Robert Balzebre that we talked about earlier on
17 December 9, 2013, it says your relationship to
18 recipient, business, the reason for the request is a
19 loan. Why is Monyet giving a loan to Robert Balzebre?

20 A. I don't believe that Monyet was giving a loan to
21 Robert Balzebre. I believe what this was was that
22 Robert Balzebre had provided a loan to John Steele to
23 pay for attorneys fees and expenses and this was just
24 paying back my half of that loan to pay for the
25 attorneys fees and expenses.

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1 Q. What were they for?

2 A. I had several legal matters going at that time.
3 Most likely some of it would have been the Voelker
4 Litigation Group and then other attorneys fees and
5 expenses related to the Ingenuity 13 matter.

6 Q. Why wasn't the transfer just made to John
7 Steele?

8 A. Because Robert Balzebre had loaned the money to
9 John Steele and so John Steele was paying back his half
10 to Robert and I was paying back my half to Robert and
11 Robert had paid the full amount to the attorneys.

12 Q. And was Robert, was he an attorney?

13 A. I believe he is an attorney.

14 Q. What, what did he do again for you and John
15 Steele, I'm sorry, I missed it?

16 A. He provided a loan, he had money to pay the
17 attorney, other attorneys, third-party attorneys.

18 Q. He provided a loan to you and John Steele and
19 you're paying him back?

20 A. He provided a loan to John Steele to pay these
21 attorneys and then John said why don't you pay for half
22 of this, and I said that sounds reasonable since we both
23 benefitted from the legal help, and so I paid back half
24 and John paid back half.

25 Q. If you flip to the next one, January 17, 2014.

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1 Monyet is now issuing a \$20,000 transfer to Class
2 Justice, PLLC, a loan installment, a relationship now as
3 lender. Is there some loan agreement between Monyet and
4 Class Justice?

5 A. There's no formal paper agreement, no.

6 Q. Is there any informal paper agreement?

7 A. There's no agreement on paper.

8 Q. This is just you deciding to loan money from
9 Monyet to Class Justice?

10 A. No.

11 Q. Does Class Justice have to pay it back to
12 Monyet?

13 A. I think the idea is that Class Justice will
14 attempt to pay it back to Monyet, yes.

15 Q. The next document is a February 7, 2014, \$70,000
16 wire transfer from Monyet to your wife. What was that
17 for?

18 A. Same idea as before with the other transfers to
19 my wife, which was to provide for the family's living
20 expenses.

21 Q. And you guys burned through the 175 that had
22 been transferred a few months earlier?

23 A. I doubt we had burned through \$175,000 during
24 that time.

25 Q. It was just in your wife's account?

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1 A. The document you provided me doesn't show where
2 the money went to. It looks like it went to a TCF
3 National Bank account, I assume that's my wife's
4 account, but the bank account number where it goes is
5 blocked out on the document you gave me.

6 Q. The next document is a March 19, 2014 transfer
7 of \$25,000 from Monyet to Class Justice. Again, it says
8 the reason for the request, it's an installment loan, it
9 says Monyet's relationship to the recipient is payee.
10 Do you know what you meant by that?

11 A. Yes, the person that's paying money to the other
12 person is the payee.

13 Q. Why are you saying it here?

14 A. I'm saying it here because when you make a wire
15 transfer from Scottrade they require you to put
16 something in there and I did not go back and review all
17 my prior wire transfer statements to ensure consistent
18 statements of relationships of recipients. This is
19 certainly not legally binding in any sense and it's just
20 a description. So after the fact you can look back and
21 see and get some context for the wire transfer.

22 Q. The next one is a, looks like another attorney
23 fee payment to Voelker Litigation. The one after that
24 is an attorneys fee escrow in an undetermined amount to
25 Chisholm Properties South Beach, Inc. on May 5, 2014.

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<p>1 A. I've heard of it before.</p> <p>2 Q. You've heard of it?</p> <p>3 A. Yes.</p> <p>4 Q. Is that your husband's law firm?</p> <p>5 A. I think so.</p> <p>6 Q. You think so, you don't know that for a fact?</p> <p>7 A. That's correct.</p> <p>8 Q. I'll have you flip ahead to the next one which</p> <p>9 hopefully you'll know something about, the recipient is</p> <p>10 yourself, it's \$5,000 on July 30, 2013, the reason for</p> <p>11 the request is personal transfer. Do you know what that</p> <p>12 was for?</p> <p>13 MS. MAY: What was the date on that?</p> <p>14 MR. SHEU: July 30, 2013.</p> <p>15 A. I don't remember what the money was for.</p> <p>16 Q. Do you know where you put the money?</p> <p>17 A. It went to my Associated Bank account.</p> <p>18 Q. Do you remember where it went?</p> <p>19 A. Yes.</p> <p>20 Q. Do you know what you did with it?</p> <p>21 A. I can't be positive, it was in 2013.</p> <p>22 Q. Did you provide in the documents today any</p> <p>23 statements for Associated Bank?</p> <p>24 A. I did.</p> <p>25 Q. For 2013?</p>	<p>1 Q. Did you provide statements for 2013?</p> <p>2 A. I provided statements for the entire time that</p> <p>3 that account was open.</p> <p>4 Q. Did you also have an Associated Bank account at</p> <p>5 the same time during 2013?</p> <p>6 A. Yes.</p> <p>7 Q. So what was the purpose of having another bank</p> <p>8 account, that TCF Financial Bank account?</p> <p>9 A. TCF Bank asked me to open up a personal bank</p> <p>10 account when we had the, got the mortgage, so I did.</p> <p>11 Q. And you don't know where this \$30,000 went?</p> <p>12 A. Not specifically, no.</p> <p>13 Q. Is there any way we'll be able to find that out?</p> <p>14 A. I would look at the statements that I provided.</p> <p>15 Q. I'll have you turn to the next page. Actually,</p> <p>16 you can skip that. And the next page after that is a</p> <p>17 \$25,000 loan from Monyet to Class Justice, PLLC. Are</p> <p>18 you familiar with your husband having loaned any money</p> <p>19 to anybody including any entities?</p> <p>20 A. We would have talked about this, but I don't</p> <p>21 remember because it was in 2013.</p> <p>22 Q. Are there any loan agreements that you know of?</p> <p>23 A. I don't know.</p> <p>24 Q. Do you know if there's any money that's owed to</p> <p>25 you or your husband by anybody or any entity?</p>
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<p>1 A. Yes, I provided six years of Associated Bank</p> <p>2 account statements.</p> <p>3 Q. Did you include copies of checks?</p> <p>4 A. I did not have those.</p> <p>5 Q. I'll have you turn to the next page. This is a</p> <p>6 \$30,000 transfer from Monyet, Scottrade account, to</p> <p>7 yourself on August 27, 2013. Do you know what this was</p> <p>8 for?</p> <p>9 A. I don't know the exact specifics of why the</p> <p>10 money was transferred, no, I don't remember.</p> <p>11 Q. Under reason for request it says, "Trust</p> <p>12 agreement," does that ring any bells for you?</p> <p>13 A. No.</p> <p>14 Q. You have no idea why your husband was</p> <p>15 transferring \$30,000 to you?</p> <p>16 A. Probably because we talked about it.</p> <p>17 Q. Do you know what you would have done with it?</p> <p>18 A. I can't say for sure, but I'm assuming it went</p> <p>19 to pay everyday living expenses.</p> <p>20 Q. It looks like the receiving institution was TCF</p> <p>21 Financial. Did you have an account at TCF Financial?</p> <p>22 A. I did.</p> <p>23 Q. Did you provide bank statements with your, that</p> <p>24 box?</p> <p>25 A. Yes.</p>	<p>1 A. I personally am not owed any money that I know</p> <p>2 of.</p> <p>3 Q. What about your husband?</p> <p>4 A. I don't know.</p> <p>5 Q. I'll have you turn to the next page which you</p> <p>6 can skip and the next page which you can also skip. And</p> <p>7 then stop where it says the November 22, 2013 transfer</p> <p>8 of \$175,000 to you from Monyet, Scottrade account. What</p> <p>9 was this for?</p> <p>10 A. For personal and everyday living expenses.</p> <p>11 Q. \$175,000?</p> <p>12 A. That's correct.</p> <p>13 Q. This is transferred to your TCF Bank account?</p> <p>14 A. Yes.</p> <p>15 Q. And so the, this \$175,000, your sworn testimony</p> <p>16 is it's all been spent, is that correct?</p> <p>17 A. Well, the trust currently has approximately</p> <p>18 \$8,000 in it.</p> <p>19 Q. What was the most the trust ever had?</p> <p>20 A. I don't know.</p> <p>21 Q. Who would know?</p> <p>22 A. I don't know.</p> <p>23 Q. You don't know who would know about --</p> <p>24 A. I don't know if anyone would know how much it</p> <p>25 had, what the maximum amount that was ever in it.</p>

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<p>1 Q. Well, there would be some bank record of some 2 sort, wouldn't there?</p> <p>3 A. I don't know.</p> <p>4 Q. You don't know?</p> <p>5 A. That's correct.</p> <p>6 Q. You're the trustee of this trust, right?</p> <p>7 A. That is correct.</p> <p>8 Q. It's kind of your job to know what's in it, 9 isn't that part of the job of a trustee?</p> <p>10 A. If that's how you want to define it, sure.</p> <p>11 Q. I'll have you turn to the next page. You'll see 12 a \$21,250 transfer to Robert P. Balzebe, 13 B-A-L-Z-E-B-R-E. Do you know who that is?</p> <p>14 A. I've heard the name before.</p> <p>15 Q. Where have you heard the name?</p> <p>16 A. In discussing this.</p> <p>17 Q. Discussing what?</p> <p>18 A. Making a loan or whatever this was, this 19 transfer.</p> <p>20 Q. What was this loan or transfer for?</p> <p>21 A. I believe, I'm going to say I don't know because 22 I don't remember. It was a while ago.</p> <p>23 Q. It was December of 2013?</p> <p>24 A. That's correct.</p> <p>25 Q. You don't remember two years ago --</p>	<p>1 A. I don't know.</p> <p>2 Q. I'll have you flip ahead a couple of pages to 3 the authorization to wire money to Chisholm Properties 4 South Beach, Inc., do you see that?</p> <p>5 A. I do.</p> <p>6 Q. What is Chisholm Properties South Beach?</p> <p>7 A. I don't know.</p> <p>8 Q. You've never heard of it?</p> <p>9 A. I don't remember hearing about it, I don't 10 remember that specific name.</p> <p>11 Q. Do you guys have any property in Florida?</p> <p>12 A. No.</p> <p>13 Q. Do you know anybody with property in Florida?</p> <p>14 A. I don't, yes, I do know some people that have 15 property in Florida.</p> <p>16 Q. Who's that?</p> <p>17 A. Paul's aunt, for one.</p> <p>18 Q. Anybody else?</p> <p>19 A. I know, that's the only person I feel 20 comfortable for sure saying has property in Florida.</p> <p>21 Q. Have you ever invested any money --</p> <p>22 A. No.</p> <p>23 Q. -- in Florida property?</p> <p>24 A. No.</p> <p>25 Q. Have you ever invested any money in Florida</p>
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<p>1 A. That's correct.</p> <p>2 Q. -- a \$21,000 loan? I'll have you turn, skip the 3 next page and then stop at the next one where there's 4 the \$70,000 transfer to you from Monyet, Scottrade 5 account, on February 7, 2014. Do you know what that was 6 for?</p> <p>7 A. That money was used for everyday living 8 expenses.</p> <p>9 Q. What expenses are those?</p> <p>10 A. Our mortgage, daycare, my personal car payment, 11 food, utilities. I don't know, what everybody spends 12 money on.</p> <p>13 Q. Is that money all gone?</p> <p>14 A. There's approximately \$8,000 left in the trust 15 account.</p> <p>16 Q. At some point did you ever hear how your husband 17 had a judgment against him?</p> <p>18 A. Yes, I am aware that there is a judgment against 19 my husband.</p> <p>20 Q. There's a few judgments, is that correct, is 21 that your understanding?</p> <p>22 A. I don't know the specifics. I know we're here 23 today.</p> <p>24 Q. When did you first learn about any judgments or 25 liabilities that your husband had?</p>	<p>1 property?</p> <p>2 A. No.</p> <p>3 Q. Do you know if Paul has?</p> <p>4 A. I do not.</p> <p>5 Q. So he could have since you don't know?</p> <p>6 A. I don't know.</p> <p>7 Q. Okay. We can set aside Exhibit 5. And by the 8 way, let me know if you ever need to take a break to go 9 to the bathroom, get a drink of water.</p> <p>10 MS. MAY: Can you make sure that I get 11 copies of the exhibits?</p> <p>12 MR. SHEU: Yes.</p> <p>13 MS. MAY: Ms. Court Reporter, make sure 14 that you catch that I asked for copies of the exhibits.</p> <p>15 MR. SHEU: My intention is to leave the 16 exhibits that have been marked with the court reporter 17 and have the transcript include all of the exhibits.</p> <p>18 MS. MAY: But I won't necessarily be asking 19 for a copy of the transcript, which is why I'm asking 20 for a copy of the exhibits.</p> <p>21 MR. SHEU: Okay. Can we mark another one. 22 (Browne Deposition Exhibit Number 6 23 marked for identification.) 24 (Attorney Paul Godfread entered the 25 deposition room.)</p>

In Re: Paul Hansmeier, Debtor

341 Meeting of Creditors - Paul Hansmeier
January 21, 2016

<p style="text-align: right;">Page 41</p> <p>1 A. Yes.</p> <p>2 Q. And to start with, there was a \$170,000 transfer,</p> <p>3 I'll find it in just a second here, that goes to</p> <p>4 your wife, \$175,000. It was November 22 of 2013.</p> <p>5 Here, let me just show you my copy and save a little</p> <p>6 bit of time. Here's the one I'm referring to. This</p> <p>7 is an authorization signed by you on 11/22 of 2013</p> <p>8 to transfer \$175,000 from Monyet to TCF Bank account</p> <p>9 held in your wife's name, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And then here's a page of a TCF statement -- or two</p> <p>12 pages of a statement for the same time period that's</p> <p>13 showing that \$175,000 deposit into your wife's</p> <p>14 account, correct? It's down in the lower left.</p> <p>15 MS. MAY: What is that time period?</p> <p>16 THE WITNESS: This is November 22, 2013.</p> <p>17 I guess that's what it shows, yes.</p> <p>18 BY MR. SEAVER:</p> <p>19 Q. Okay. And then if you look over in the withdrawal</p> <p>20 section, which is on the right side, you'll see on</p> <p>21 December 13 there's a \$150,000 withdrawal. Do you</p> <p>22 see that?</p> <p>23 A. I do.</p> <p>24 Q. What happened to that \$150,000?</p> <p>25 A. I think it was used to pay for household expenses.</p>	<p style="text-align: right;">Page 43</p> <p>1 signed.</p> <p>2 Q. Okay. And then the next page, the margin</p> <p>3 application, the only signature on that page --</p> <p>4 Well, on the signature line, that's your signature,</p> <p>5 correct?</p> <p>6 A. That's correct.</p> <p>7 Q. All right. And then on the limited -- Next page,</p> <p>8 limited liability company certification, that's your</p> <p>9 signature there on the signature line as the manager</p> <p>10 or designated member signature?</p> <p>11 A. It is.</p> <p>12 Q. All right. And then the next page is a guarantee</p> <p>13 agreement. And the first page of the guarantee</p> <p>14 agreement has your name on it as manager of Monyet,</p> <p>15 LLC, and then the next page has your signature on</p> <p>16 the guarantee, correct?</p> <p>17 A. Yes.</p> <p>18 Q. All right. And then the next page after that there</p> <p>19 is a transfer to Frost National Bank to SureTec,</p> <p>20 appellate bond, at Frost National Bank. Is this</p> <p>21 partial payment on the bond that we talked about</p> <p>22 earlier, the 181,000, roughly?</p> <p>23 A. Yeah, in connection with the Star Trek order.</p> <p>24 Q. Okay. And then the next page of this stack of</p> <p>25 Scottrade authorizations is a \$20,000 payment to</p>
<p style="text-align: right;">Page 42</p> <p>1 Around this time my wife either was pregnant or she</p> <p>2 had just lost her job, so she was using that to pay</p> <p>3 for the mortgage and...</p> <p>4 Q. How was the \$150,000 withdrawn? Here's what I mean</p> <p>5 by that: Was it in a series of money orders,</p> <p>6 cashier's checks, was it one \$150,000?</p> <p>7 A. I don't know the answer to that question.</p> <p>8 Q. Okay. And other than what you've testified to, you</p> <p>9 don't know what happened to that \$150,000?</p> <p>10 A. Yeah. I believe it was used for household expenses.</p> <p>11 Q. Would it have been deposited into accounts after</p> <p>12 this, after it was withdrawn from this account?</p> <p>13 A. I'm not sure what -- I mean, I just don't know what</p> <p>14 -- What her method of withdrawing it was.</p> <p>15 Q. You weren't involved at all in that 150,000</p> <p>16 withdrawal from TCF?</p> <p>17 A. Well, I was certainly aware that she was withdrawing</p> <p>18 the money. I just don't know, like, the particular</p> <p>19 mechanics of it. I'm sure she won't.</p> <p>20 Q. All right. Back to the Scottrade account, that</p> <p>21 stack of statements that I have there. So the first</p> <p>22 page is the brokerage account application. And</p> <p>23 those are your signatures down there, right, about</p> <p>24 7/8ths of the way down the page?</p> <p>25 A. Other people signed different parts, but, yes, I</p>	<p style="text-align: right;">Page 44</p> <p>1 Class Justice, PLLC, correct?</p> <p>2 A. That's correct.</p> <p>3 Q. And it says, loan installment, the reason for the</p> <p>4 request. What does that mean?</p> <p>5 A. Well, I think the idea was to loan money to the law</p> <p>6 firm in order to provide it with operating.</p> <p>7 Q. Okay. So it would be money being loaned to the law</p> <p>8 firm?</p> <p>9 A. In theory. We never formalized it with the actual</p> <p>10 loan agreement.</p> <p>11 Q. Did the money ever get paid back?</p> <p>12 A. I believe money was returned.</p> <p>13 Q. Returned to who?</p> <p>14 A. Either to my wife or to -- I don't think I deposited</p> <p>15 back with money to LLC.</p> <p>16 Q. Okay. It went to either your wife or you?</p> <p>17 A. Well, not to me, but it would have been to my wife,</p> <p>18 I'd assume, but I don't -- I mean, some money was</p> <p>19 paid back, not a lot.</p> <p>20 Q. How much was paid back?</p> <p>21 A. I believe -- I want to say somewhere between ten and</p> <p>22 \$15,000.</p> <p>23 Q. Okay. And then the next page is the one we talked</p> <p>24 about, the 175,000 to your wife. The one after that</p> <p>25 says, business loan to Class Justice, PLLC, \$20,000.</p>

In Re: Paul Hansmeier, Debtor

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<p>1 gift?</p> <p>2 A. I guess I don't know how I characterize it because,</p> <p>3 on the one hand, I understand that the word loan</p> <p>4 appears in the documents, but --</p> <p>5 Q. Well --</p> <p>6 A. -- We also did not formally document the loan</p> <p>7 transactions, so I'm not sure how the law would</p> <p>8 treat that.</p> <p>9 Q. Okay. And when you say the word loan appears,</p> <p>10 you're the one who had the word loan put in there,</p> <p>11 right?</p> <p>12 A. Sure.</p> <p>13 Q. Okay. And then there's a \$30,000 payment to</p> <p>14 Padraigin Browne on 8/27/13, correct? Do you have</p> <p>15 that in front of you?</p> <p>16 A. I do.</p> <p>17 Q. Yeah. And what's that for?</p> <p>18 A. I believe that would have just been to cover</p> <p>19 business expenses. I believe she was either</p> <p>20 pregnant around that time or lost her job around</p> <p>21 that time.</p> <p>22 Q. Okay. And then there's the Voelker Litigation Group</p> <p>23 one after that that we talked about briefly. Then</p> <p>24 there's a \$70,000 transfer to your spouse on 2 --</p> <p>25 February 7 of 2014. What was that for?</p>	<p>1 A. Yeah, it looks like it.</p> <p>2 Q. And the next page, it's a \$5,000 transfer to your</p> <p>3 wife on July 30th of 2013, correct?</p> <p>4 A. Correct.</p> <p>5 Q. And then the next page says, investment loan to</p> <p>6 LiveWire. That's investment, slash, loan to</p> <p>7 LiveWire, \$10,000. What was that for?</p> <p>8 A. This, I believe, we were just returning cash to</p> <p>9 LiveWire. I think I had been paid \$10,000 or</p> <p>10 \$15,000 from LiveWire. And the owner of LiveWire</p> <p>11 said, hey, we're in some trouble here, business is</p> <p>12 not going good in large part due to the California</p> <p>13 stuff. So he said, could you -- would you be</p> <p>14 willing to return the money, and I said fine.</p> <p>15 Q. Okay. Then the next page is a transfer to Class</p> <p>16 Justice, PLLC, \$25,000. And what it says up at the</p> <p>17 top is, capitalize law firm, correct?</p> <p>18 A. Correct.</p> <p>19 Q. Is that what the money was for?</p> <p>20 A. Yeah. It was used to provide money to the firm so</p> <p>21 it could operate and pay employees and...</p> <p>22 Q. And has that money ever been paid back?</p> <p>23 A. No. This money was not repaid back.</p> <p>24 Q. All right. The next one is Voelker Litigation Group</p> <p>25 again. And this one says escrow, and it's just</p>
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<p>1 A. That would have been, again, to pay for the costs of</p> <p>2 living. She was either pregnant at that time, so</p> <p>3 she was out of work, or maybe she was on maternity</p> <p>4 leave at that time. Anyway, so it would have been</p> <p>5 to cover expenses and costs.</p> <p>6 Q. Okay. And then the one after, the next page after</p> <p>7 that, is a transfer to SureTec Insurance Company,</p> <p>8 Frost National Bank. Is this the same 181,000,</p> <p>9 roughly, bond we talked about earlier?</p> <p>10 A. I believe it's 118,000, but, yeah, that's</p> <p>11 (inaudible).</p> <p>12 Q. 118,000, right, not 181. Okay. It's on that --</p> <p>13 It's called the Star Wars bond?</p> <p>14 A. Yeah.</p> <p>15 Q. Is that what it is?</p> <p>16 A. Yeah.</p> <p>17 Q. Okay. And then the next page here it says, payroll</p> <p>18 tax lawyer, on it. What company's benefit is that</p> <p>19 being transferred for?</p> <p>20 A. That's a good question. Looking at it, I don't</p> <p>21 recall. It was in August of 2013, \$2,575.</p> <p>22 Q. Would it be Live Lawyer?</p> <p>23 A. I don't believe so, but I just simply don't recall.</p> <p>24 Q. Okay. But that's your signature on here, right, on</p> <p>25 the authorization?</p>	<p>1 \$3,750. Is that something different than attorney's</p> <p>2 fees?</p> <p>3 A. I think it's the same thing.</p> <p>4 Q. Okay. The next one is a \$10,000 transfer. It says,</p> <p>5 business transfer to LiveWire. Is that another</p> <p>6 return of money to LiveWire?</p> <p>7 A. Yeah. Like I said, I'd been paid 15, \$20,000 and I</p> <p>8 was just returning them. And I don't know if these</p> <p>9 two --</p> <p>10 Q. It might be the same, huh?</p> <p>11 A. It might be the same transfer.</p> <p>12 Q. Yep. Well, one looks like it says 6/23 and the</p> <p>13 other looks like it says 6/28 and 6/27.</p> <p>14 A. I don't know specifically, but if I recall, the</p> <p>15 first time I did it, the account number may have</p> <p>16 been of or there was some problem with the transfer</p> <p>17 and I just redid it.</p> <p>18 Q. Okay, okay. All right. The next to last page here</p> <p>19 is another payment to Frost National Bank SureTec</p> <p>20 Insurance Company. Is this on the Star Wars bond</p> <p>21 again?</p> <p>22 A. I believe so, yes.</p> <p>23 Q. Okay. And the very last page here is \$25,000. It</p> <p>24 says, installment loan, going to Class Justice,</p> <p>25 PLLC. Is this another loan for operations of the</p>

Randall Seaver

From: Matthew Swanson
Sent: Monday, February 22, 2016 10:17 AM
To: Randall Seaver
Subject: FW: Hansmeier

From: Barbara May [<mailto:barbara@barbaramaylawoffice.com>]
Sent: Monday, February 22, 2016 9:34 AM
To: Matthew Swanson
Subject: Hansmeier

Oral arguments were held last week in one of Mr. Hansmeier's appeals involving Anthony Smith and a \$65000 sanction. It was one of those oral arguments that was cringeworthy in that it was obvious how the court is going to rule. They are going to toss Mr. Smith's claim on the grounds of lack of due process, much like the other reversals.

This case has a \$65000 supercedeas bond. It is in the estate's interest to have this appeal come down in Mr. Hansmeier's favor, so that the bond can be paid over to the estate.

The Appellee's attorneys are using the conversion to Chapter 7 and subsequent appeal as a basis for a collateral attack on the appeal. As I understand it, Randy currently owns this appeal. Do you think he would agree to abandon the right of defense to allow Hansmeier to simply get the appeal kicked? I would like to get this before the appellate court promptly. It benefits the estate to the tune of \$65000.00.

EXHIBIT 7

1 Q Well, you know what that is, though, sir. And it's
2 a matter of public record, so I don't think there's
3 any attorney-client privilege here. So what was her
4 original Groupon purchase?
5 A I don't recall the specifics there. It's set forth
6 very specifically in her original objection.
7 Q And you just don't have any independent recollection
8 of that?
9 A I -- I recall that she purchased Groupons and that
10 was her basis for standing.
11 Q So how do you come up with this over \$200,000 you're
12 telling the Court she should be paid as attorney's
13 fees, you say?
14 A Well, as explained in her motion for attorney's
15 fees, it's based on the common fund principle, which
16 allows an objector who brings benefits to the class
17 to receive some of the benefits of that amount in
18 return.
19 Q Yeah, but it's attorney's fees. I mean, has she
20 paid somebody 200,000 in attorney's fees?
21 A I don't think she's come out of pocket for \$200,000
22 in attorney's fees, no.
23 Q So how do you justify asking for 200,000 in
24 attorney's fees if she hasn't paid any attorney's
25 fees?

10
1 A Well, just as in any case where attorney's fees
2 don't come out of pocket, for example, a contingency
3 fee arrangement or an action where someone may
4 represent somebody in a civil rights case and
5 there's statutory attorney's fees, at the end of the
6 case the attorney, even if the client does not come
7 out of pocket, is entitled to recover fees -- Or the
8 client, actually, is entitled to recover the fees.
9 Q Have you ever seen any written agreement between
10 Padraigin Brown and any law firm regarding the
11 representation of her in this Groupon case?
12 A I have not.
13 Q Let me just give you a copy of an email that Ms. May
14 sent over to Matthew Swanson of my firm earlier this
15 week. In this email Ms. May is talking about one of
16 Mr. Hansmeller's appeals involving Anthony Smith and
17 the \$65,000 sanction. And she says, this case has a
18 supersedeas bond.
19 Have you seen a copy of this email
20 before?
21 A I have.
22 Q Okay. Is everything in here accurate?
23 A Yeah, I believe so.
24 Q Okay. And just so we know what email it is, because
25 we don't have exhibits here at a 341 meeting, this

11
1 is one that Ms. May sent over to Matthew Swanson at
2 my office on February 22, 2016 at 9:34 a.m.,
3 correct?
4 A That's correct.
5 Q Okay. Here, let me just show you the docket. I've
6 printed the docket for the Lightspeed matter. And
7 the bond is in the Lightspeed case, right?
8 A That's correct.
9 Q Okay.
10 A Well, I should be clear. It's money on deposit with
11 the Court, not a bond.
12 Q Right, okay. And if you turn to the next to last
13 page of this docket sheet, there's a long carry-over
14 court entry there talking about posting -- I don't
15 know if you use the word bonds -- I guess deposit
16 with the Court. Is this the bond or the money
17 posted with the Court that we're talking about here?
18 A Yes, it is --
19 Q Okay.
20 A -- referring to Entry Number 216.
21 Q Yeah, thank you. Yeah, it is 216. So is it
22 accurate to say that it was on or about August 10 of
23 2015 that the \$65,000 got paid into the Court?
24 A Yes.
25 Q Okay. And you weren't present at this hearing that

12
1 Ms. May is referring to, correct?
2 A I was not present at the hearing.
3 Q Okay. As far as you know, the Court hasn't yet
4 ruled on that?
5 A The Court has not ruled. The appeal has now been
6 taken under advisement.
7 Q Okay. Have you reviewed the deposition transcript
8 of the 2004 examination of Padraigin Brown that was
9 taken last week?
10 A No.
11 Q Have you looked at any part of it?
12 A I have looked at some of it, yes.
13 Q All right. What parts did you look at, generally
14 what areas?
15 A I read through the first maybe half of it.
16 Q Okay. Let me just give you a few pages that I'd
17 like you to read through. I just want to confirm
18 some things with you. What I've given you, it's a
19 condensed transcript. And I'd just like you to read
20 through pages 60 to the top of page 68 to yourself.
21 You don't need to read it out loud. Let me know
22 when you're done.
23 A Okay. I've read through it.
24 Q All right. Thanks. Do you see any of her testimony
25 there that you believe is not accurate?

<p>41</p> <p>1 of the Mill Trust to Ms. Brown's personal account,</p> <p>2 though, you know that, right?</p> <p>3 THE WITNESS: The custody of the funds</p> <p>4 was held in Ms. Brown's personal account, yes.</p> <p>5 MR. SEAVER: Right. The funds were</p> <p>6 transferred into her personal account, she took it</p> <p>7 out in cash?</p> <p>8 THE WITNESS: Yes. She had custody of</p> <p>9 the funds, that's correct, as the Trustee for the</p> <p>10 Mill Trust.</p> <p>11 MR. SEAVER: The account that you had</p> <p>12 those funds transferred into, sir, does it say that</p> <p>13 it's an account held as trustee for the Mill Trust?</p> <p>14 THE WITNESS: Does Ms. Brown's personal</p> <p>15 account say?</p> <p>16 MR. SEAVER: The personal account of</p> <p>17 Ms. Brown that you had those funds transferred into,</p> <p>18 does it say it's an account held in her capacity as</p> <p>19 trustee of the Mill's Trust?</p> <p>20 THE WITNESS: I don't know. I've never</p> <p>21 reviewed the account document she has.</p> <p>22 MR. SEAVER: You don't know; is that your</p> <p>23 testimony?</p> <p>24 THE WITNESS: My testimony is I've never</p> <p>25 reviewed the account documents associated with my</p>	<p>43</p> <p>1 Mr. Steele in cash was then used by Mr. Steele to</p> <p>2 post an earlier bond in the same case; is that</p> <p>3 right?</p> <p>4 A That's my understanding of how he used those funds.</p> <p>5 When we gave him the funds, he was going to</p> <p>6 contribute it towards the approximately \$260,000</p> <p>7 bond that was posted with the Court. I can't --</p> <p>8 Obviously I can't tell you what Mr. Steele</p> <p>9 physically did with it after he took possession of</p> <p>10 the cash and whether any of those funds that he</p> <p>11 received would in some manner be traceable to the</p> <p>12 amount he posted with the Court. That's my only</p> <p>13 point I'm trying to make.</p> <p>14 Q So what you're saying, then, is that it's possible</p> <p>15 that the \$60,000 in cash perhaps wasn't used for the</p> <p>16 earlier bond because you don't know --</p> <p>17 MS. MAY: Only Mr. Steele would know</p> <p>18 that.</p> <p>19 THE WITNESS: That's my testimony. Only</p> <p>20 Mr. Steele would know how he used the money.</p> <p>21 BY MR. KREUZIGER:</p> <p>22 Q Okay. So you can't really say, sitting here today,</p> <p>23 whether or not any of the funds that Mr. Steele</p> <p>24 posted in August of 2015 for that bond are</p> <p>25 attributable to you, to the Mill Trust, to your wife</p>
<p>42</p> <p>1 wife's account at TCF Bank.</p> <p>2 MR. SEAVER: Go ahead, Mr. Kreuziger.</p> <p>3 MR. KREUZIGER: Thank you, Mr. Seaver.</p> <p>4 BY MR. KREUZIGER:</p> <p>5 Q With respect to -- I believe it's a \$65,000 bond</p> <p>6 that was posted in August of 2015?</p> <p>7 A Yes.</p> <p>8 Q Okay. So with respect to that bond, it's your</p> <p>9 testimony that none of the funds that were used to</p> <p>10 post that bond were your funds, correct?</p> <p>11 A Mr. Steele posted the bond, yes.</p> <p>12 Q Well, that's not my question. My question is, is</p> <p>13 were any of the funds that were used to post the</p> <p>14 bond your funds?</p> <p>15 A I don't claim ownership to any of those funds.</p> <p>16 Q Okay. Did any of the funds that Mr. Steele used to</p> <p>17 post that bond originate with the Mill Trust?</p> <p>18 A This is the point I was trying to make to Mr. Seaver</p> <p>19 before: I obviously transferred cash to him in the</p> <p>20 amount of about 50 to \$60,000 sometime in 2014. I</p> <p>21 don't know if any of that is traceable to the money</p> <p>22 that he deposited with the Court for the bond, for</p> <p>23 the \$65,000 August 2015 bond.</p> <p>24 Q The way I understood your earlier testimony was that</p> <p>25 the roughly \$60,000 that Ms. Brown gave to</p>	<p>44</p> <p>1 or to Monyet, LLC; is that right?</p> <p>2 A I think that's a fair statement because I don't know</p> <p>3 how he used the funds that he received and whether</p> <p>4 any of those funds are traceable to the amount</p> <p>5 that's on deposit with the Court right now.</p> <p>6 Q Okay. But to your knowledge, after -- This is a</p> <p>7 question about your knowledge: After the \$60,000</p> <p>8 was given by Ms. Brown to Mr. Steele in cash, to</p> <p>9 your knowledge neither you nor Ms. Brown gave</p> <p>10 Mr. Steele any other money; is that right?</p> <p>11 A No. I believe what my testimony was before was that</p> <p>12 there may have been modest expenditures that came up</p> <p>13 in connection with, for example, appellate costs or</p> <p>14 something along those lines. So I may have paid</p> <p>15 half of something to him at a certain point in time,</p> <p>16 but nothing -- Not a major transfer like a \$60,000</p> <p>17 transfer.</p> <p>18 Q So any of those transfers would be directly</p> <p>19 attributable to reimbursing him for the costs of</p> <p>20 pursuing the appeal; is that right?</p> <p>21 A Or something similar to that, yes.</p> <p>22 Q Well, what else would be similar to that?</p> <p>23 A Well, I believe we paid some money to -- I guess I</p> <p>24 can't think of anything in specific. I know</p> <p>25 appellate costs are one thing that comes up, but I</p>

EXHIBIT 9


JOHN L STEELE
KERRY E STEELE
50 SAMANA DR.
MIAMI, FL 33133

63-901
670 10 193

DATE 2/1/14

PAY TO THE ORDER OF [Redacted] \$2500⁰⁰

Twenty Five Hundred DOLLARS

Sabadell United Bank 

MEMO Feb [Signature]

[Redacted]

Tracer: 1000003054 - Amt: \$2,500.00 - 02/21/2014

NO NOT WRITE BELOW THIS LINE

[Redacted]

[Signature]

SECURITY SERVICES

LOCATION

GOVERNORS REG. NO.

Tracer: 1000003054 - Amt: \$2,500.00 - 02/21/2014

EXHIBIT 10

JOHN L STEELE
KERRY E STEELE
50 SAMANA DR.
MIAMI, FL 33133

63-664
870 10 194

DATE 3/1/14

PAY TO THE ORDER OF Paul Hernandez \$2500⁰⁰

Twenty Five Hundred DOLLARS

Sabadell United Bank

MEMO Mr

[Signature]

Tracer: 1000009534 - Amt: \$2,500.00 - 03/03/2014

DO NOT WRITE OR SIGN BELOW THIS LINE

[Signature]

Associated Bank

BOARD OF GOVERNORS REG. CO

Tracer: 1000009534 - Amt: \$2,500.00 - 03/03/2014

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

BKY No. 15-42460

In re:

Paul Hansmeier,

Debtor.

UNSWORN CERTIFICATE OF SERVICE

I hereby certify that on March 30, 2016, I caused the following documents:

1. Notice of Hearing and Motion for Turnover of Property;
2. Unsworn Certificate of Service; and
3. Order Regarding Turnover of Property (proposed).

to be filed electronically with the Clerk of Court through ECF, and that the above documents will be delivered by automatic e-mail notification pursuant to ECF and this constitutes service or notice pursuant to Local Rule 9006-1(a).

I further certify that I caused a copy of the foregoing documents to be mailed by first-class mail, postage pre-paid to the following:

John L. Steele
500 Michigan Ave.
Suite 600
Chicago, IL 60611

FULLER, SEAVER, SWANSON & KELSCH, P.A.

Dated: March 30, 2016

By: /e/ Matthew D. Swanson
Matthew D. Swanson
12400 Portland Avenue South, Suite 132
Burnsville, MN 55337
(952) 890-0888

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

BKY No. 15-42460
Chapter 7 Case

Paul Hansmeier,

Debtor.

ORDER

This case before the court on the motion of Randall L. Seaver, Chapter 7 trustee, for turnover of property of the estate. Appearances, if any, were noted upon the record.

Upon the motion and the files,

IT IS ORDERED:

1. All communications between John L. Steele and any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

2. Copies of any and all documents relating to or evidencing the purpose for the \$2,500 monthly transfers to Paul Hansmeier as evidenced by check nos. 1903 and 1904 attached to the motion as Exhibit 10.

3. Copies of any and all documents evidencing or relating to all transfers and the reason for all transfers, of any monies to John L. Steele by any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

4. Copies of any and all bank statements, money orders, wire transfers and any and all other documents evidencing or relating to the receipt, deposit and use of any monies transferred to John L. Steele by any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

5. Copies of any and all other documents evidencing the transfer of any monies from John L. Steele to, on account of or on behalf of any of the following from January 1, 2013 to date:

- a. Paul Hansmeier;
- b. Monyet, LLC;
- c. Padraigin Browne;
- d. Class Justice, PLLC;
- e. Class Action Justice Institute; and
- f. Alpha Law Firm.

6. Copies of any and all bank statements, money orders, wire transfers and any all other documents relating to or evidencing the receipt, deposit and use of approximately \$60,000 in cash allegedly given to John L. Steele by the debtor and/or Padraigin Browne.

7. Copies of any and all documents including, without limitation, bank account statements from which funds were drawn, money orders, checks and wire authorizations, relating to or evidencing the source of funds used to pay all of the following:

- a. Wire transfer in the amount of \$65,000 filed with the court on or about August 10, 2015 in the case of Light Speed Media Corporation v. Smith, et al., civil docket no. 3:12-CV-00889;
- b. Wire transfer in the amount of \$47,171.75 filed with the court on or about August 10, 2015 in the case of Light Speed Media Corporation v. Smith, et al., civil docket no. 3:12-CV-00889; and
- c. Supersedeas bond in the amount of \$287,300 filed with the court on or about April 8, 2014 in the case of Light Speed Media Corporation v. Smith, et al., civil docket no. 3:12-CV-00889.

Dated:

Kathleen H. Sanberg
United States Bankruptcy Judge